

Bellingen Shire Council Annual Report 2013-14



Bellingen Shire
COUNCIL



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Bellingen Shire COUNCIL



Foreword to the 2013 – 2014 Annual Report



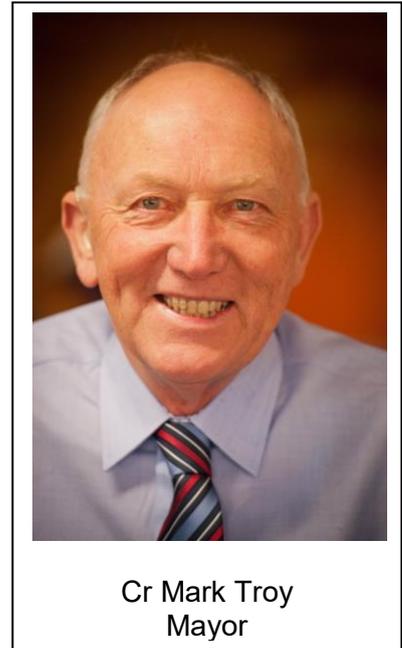
Introduction

2013/14 has seen a focus across the local government sector on reform and specifically the issues that are critical to all councils – service delivery, financial sustainability and the infrastructure backlog.

The NSW Independent Local Government Review Panel handed down its final report in relation to the future of local government, and the NSW state government has invested considerable time and resources in formulating its final response which is expected late in 2014.

For our community the Review Panel indicated that Bellingen Shire should be part of the Mid North Coast Joint Organisation, whose membership would also include Clarence Valley Council, Coffs Harbour City Council, and Nambucca Shire Council.

Council will continue to work with its regional partners throughout the review process including the member councils of the Mid North Coast Region of Councils along with the Office of Local Government.



As we move into 2014/15 the details of the reform process will become clearer. It is our great hope that many of the initiatives proposed by the Review Panel, which include a review of funding arrangements for local government, reduced duplication, cutting of red tape and the establishment of a Local Government Financing Authority, will be championed by the state government.

More locally we continued the reform process that we commenced in 2011 and Council continued to make significant progress with a broad range of tangible outcomes including:

- A comparative reduction in temporary and day labour staff costs of around 11%.
- Recruitment managed in house achieving savings of around \$100,000 per year.
- Funding of the implementation costs associated with the organisation review from cost management and efficiency initiatives.



Liz Jeremy
General Manager

- A 43% reduction in workers compensation claims since 2010 with an associated reduction in workers compensation wage costs.
- A reduction in overtime hours of around 55%
- 55% reduction in days lost to injury since 2010.
- In 2013 we increased the library opening hours of Dorrigo and Urunga libraries without any increased cost by rearranging staffing.
- We are focusing on customer service and are actively managing our correspondence with outstanding tasks reduced by 60%.
- We are measuring our Customer Service Centre outcomes as we have a target of first contact resolution of 80%. We achieved around 65 % this financial year.

- Council is now managing the Dorrigo Waste Facility and the annual site based operating budget will see reductions in future financial years.
- Changes to the operating hours of Council's three waste facilities at Raleigh, Bellingen and Urunga are expected to result in improved operations and financial savings.
- A new scrap metal contract will return \$285,000 over three years.
- Council has assumed the operation of the Raleigh Reuse shop – 'The Bowerhouse' and is running the business as a business with the objective of considering a social enterprise once the true costs of operation are known and understood.
- Application of a new Integrated Management System in the Works Section resulting in reductions in base course installation costs of 6% with projected reductions of up to 15%.

A range of projects of importance to both Council and the community were progressed including the feasibility study for the Urunga Tidal Facility and the Master Plan for the Gleniffer Reserves, both of which were enabled by a review of Councils Section 94 (Development Contribution) Plans. The outcomes of both of these important projects will be reported to Council next financial year in order that Council may determine the best way forward.

In addition, Council continued with investments in major infrastructure including progressing the Dorrigo Sewerage Treatment Works upgrade as well as planning for restoration of some of the major works emanating from the 2013 floods, including the restoration of the Coramba Road slip and the Mylestom culvert.

As a consequence of the failure of Hanly's Bridge in 2012, Council carried out a transport infrastructure audit. The results of the audit were considered by Council during 2013 and as a consequence Council resolved, following a process of community engagement, to apply for a Special Rate Variation (SRV) earlier this year. This was approved by the Independent Pricing and Regulatory Tribunal recently. The overall funding strategy involves securing support from the NSW Government's Infrastructure Renewal Scheme and advice from government in this regard is still pending.

In terms of immediate outcomes, a major focus for the SRV was the reconstruction of the Newry Island Bridge, the only access for our residents who call Newry Island home.

Importantly, securing the SRV has allowed Council to move forward with this project and it is programmed to occur early in the new financial year. Infrastructure renewal across our shire can now be rolled out over the next few years.

Moving forward we are confident that we have laid a good base for efficiency and effectiveness improvements internally, to participate in the local government reform process, to actively advocate for our community and position Council effectively in terms of the local government reform process.

We promise to keep you posted.

Kindest regards

Cr Mark Troy



Mayor

Liz Jeremy



General Manager

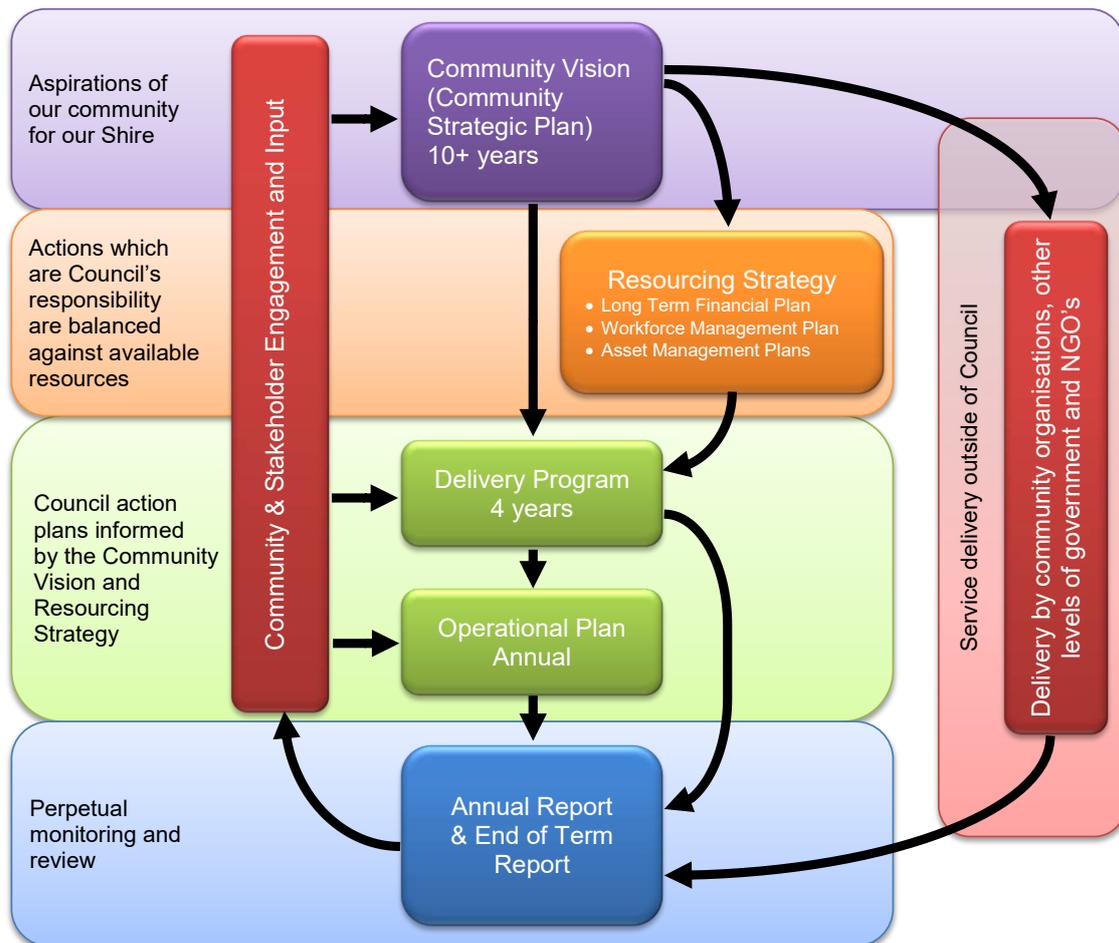


How to Read This Report

The Annual Report is part of Council's Integrated Planning and Reporting (IP&R) framework, and it outlines Council's achievements in implementing its Delivery Program and Operational Plan which are guided and constrained by the Resourcing Strategy.

The IP&R framework was built by the NSW Government and since its introduction in 2009, Councils have been progressively transitioning to the new framework. As at 1 July 2013, all councils in NSW are working within the IP&R framework.

The IP&R framework consists of a Community Strategic Plan, a Resourcing Strategy, a Delivery Program, an Operational Plan and Annual & End of Term reports. The relationship and purpose of each of these elements is represented by the following diagram:



The End-of-Term report will be prepared in the last year of the Council's term in office as an additional section for the Annual Report. It will report on Council's achievements in implementing the Community Vision during the Council's term of office.

This Annual Report is divided into three main sections.

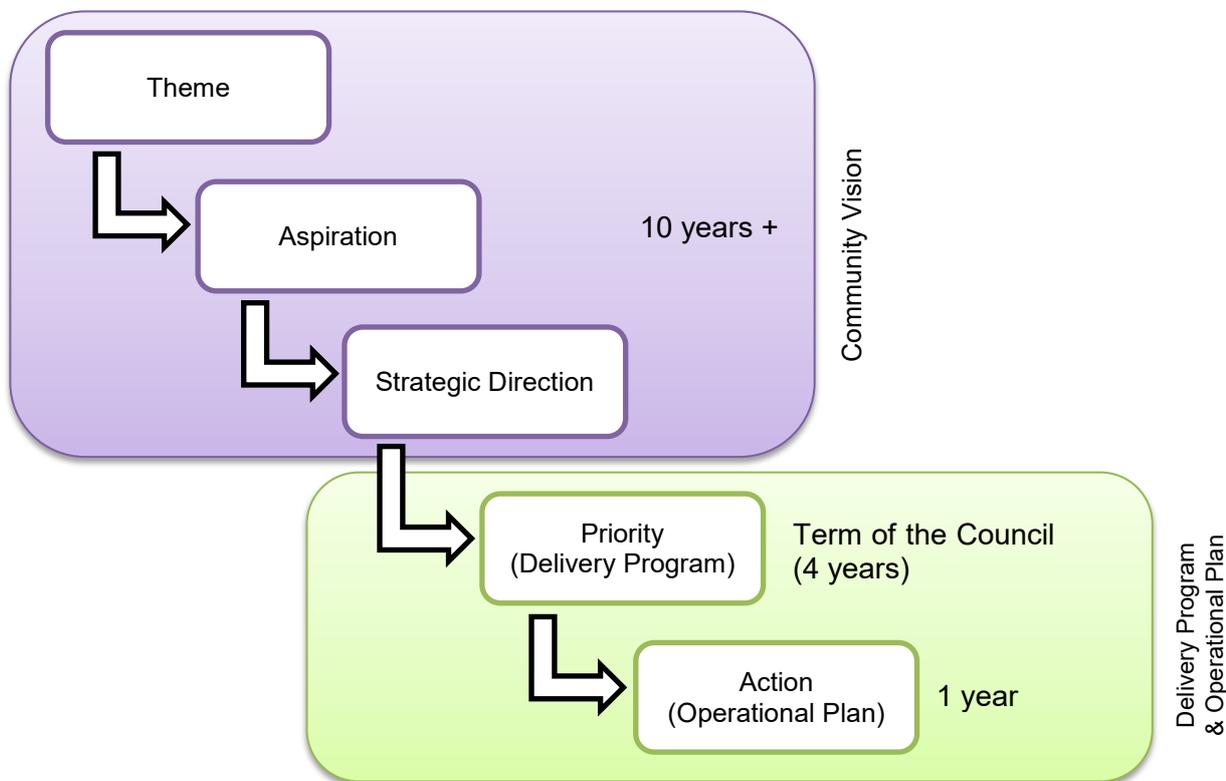
Section 1

The purpose of Section 1 is to report on progress against the Delivery Program and Operational Plan.



The first part of Section 1 of this report provides a summary of Council's achievements for the year grouped by the different Business Units within Council.

The second part of Section 1 provides a detailed report on the achievement against each of the items in the Delivery Program and Operational Plan, structured according to the layout of the IP&R suite of documents as shown in the diagram below.



The Themes, Aspirations and Strategic Directions flow from the Community Vision and indicate what the community's aspirations are for the future and some broad strategies on how they are to be achieved. The Delivery Program outlines what *Council* intends to deliver over the term of the current elected group of councillors, and the Operational Plan outlines what actions Council intends to take in the planning year to work towards the outcomes contained in the Delivery Program.

There are five themes contained in the Community Strategic Plan which relates to this Annual Report.

- Resilient Economy
- Community Wellbeing
- Places for People
- Living Environment
- Civic Leadership

Under these five themes there are twenty aspirations and sixty-seven strategic directions. Each priority in the Delivery Program relates to one of these strategic directions and each action in the Operational Plan relates to a priority in the Delivery Plan.



Section 2

Section 2 contains a financial summary and various statutory information that Council is required to report.

Section 3

Section 3 contains the full, audited financial statements of Council

The photographic images in this report were taken by Gethin Coles Photography.





Section 1 - Report on Progress Against the Delivery Program



Significant Achievements for 2013 - 2014 Year by Business Unit

The following is a summary of achievements for each of the Business Units within Council.

Works

The Works section of Bellingen Shire Council is responsible for the maintenance and construction of Council road and bridge transport infrastructure. The Works section also provides other services such as stormwater drainage, parks and gardens and cemeteries maintenance. The Bellingen Shire Council Road Maintenance Council Contract with the NSW Road and Maritime Services for Waterfall Way is managed and coordinated by the Works section.

Major construction projects undertaken this year totalling \$4.2m are as follows:

- Finalisation of 13/14 State Road, Waterfall Way reseal program (\$300k) - resealing of 6 segments of Waterfall Way, approximately 1km per segment.
- Tyringham Road "Old Coast Road" Stage 2 road reconstruction (\$350k) - reconstruction of existing pavement and widening at Dorrigo.
- Tyringham Road "Paddies Plains" Stage 1 road reconstruction (\$180k) - reconstruction of existing pavement and widening for 600m.
- Finalisation of Waterfall Way at Fernbrook Loop Road Fernbrook - west curve realignment and widening (Misty Valley Project) (\$2.2m). Funded by RMS safety branch, a corner of Waterfall Way that has claimed lives and numerous accidents. Construction consisted of widening the existing pavement, correction of super elevation, asphalt overlay, a new culvert and the erection of a guardrail.
- Heavy Patching at Watercress Creek on Waterfall Way (\$110k) for reconstruction of 1000m² of failed pavement on Waterfall Way (considered a safety hazard.)
- Culvert 25/26 slip repair on Dorrigo Mountain Waterfall Way (\$280k) - slip repair and reconstruction of headwall.
- Installation of kerb on Waterfall Way at Dorrigo Mountain (\$330k) - continuation of kerb and gutter and subsoil drain for 500m on the cut side of Dorrigo Mountain which included the removal of the existing table drain and associated dangerous drop off at the edge of the lane.
- Dangar Falls walkway, Dorrigo (\$70K) - construction of 65 metres of timber walkway from the north boundary down the steep slope to the edge of the Antarctic Beech grove finishing at the flat section of path.
- Rehabilitation of Cutbank Bridge Tyringham Road, Bostobrick (\$175K) - replacement of 6 girders, 4 corbels and the propping of two piles, the re-decking of the bridge and replacement of the kerb.
- Flood repair to Rosewood Bridge, Summervilles Road, Thora, (\$80K) - replacement of piles, headstock and two girders at the southern end of the first span of the bridge. Load limit removed from the bridge after completion of the work.
- Rehabilitation of Joyce's Bridge, Darkwood Road, Thora, (\$105K) - replacement of a number of corbels, girders, kerb and re-decking of the bridge. Load limit removed from the bridge at completion of the work.

Maintenance Works carried out by Council totalling \$3.8m are as follows:

- Road maintenance of Waterfall Way (\$940K). Maintenance including signs, guideposts, slashing, tree removal, shoulder grading, drainage repair and incident response.
- Council road and bridge maintenance (\$1.5m). Maintenance including signs, guideposts, slashing, tree removal, shoulder grading, drainage repair and incident response.
- Maintenance of Council parks and reserves including toilet cleaning, mowing and litter control (\$1.3m).

Flood Repairs Completed by Council Works section totalling (\$920K) are as follows.

- Flood defects repaired included gravel restoration, slip repair, drainage repair and bridge repair.

Asset Management and Design

Bellingen Shire Council Asset Management & Design section is responsible for the planning and development of Council's infrastructure assets for public roads, open spaces and buildings. The Asset Management & Design section coordinates the maintenance and construction budgets to enable the Works section to deliver road, bridge, stormwater drainage, building, parks and reserves maintenance and improvements.

This section also manages road network matters including public transport, heavy vehicle routes, pedestrian and cycle ways, load limits, road safety and traffic management, and provides engineering conditions for developments.

- Completion of the Bowraville Road slip restoration work
- Survey investigation for replacement of Newry Island Bridge, Urunga
- Survey and design for Hungry Head Road cycle path (stage 2), Urunga
- Establishment of the Emergency Operations Centre at Council's Works Depot in Raleigh
- Liaison with Clarence Valley Council for completion of Moonpar Bridge, Dorrigo and approaches
- Consultants engaged for the Lower Bellinger and Kalang River Flood Study
- Review of the Roads Asset Management Plan
- Completion of the road design for Coramba Road Megan to remove the single lane temporary side track
- Consultation and liaison with NSW Roads & Maritime Services and Lend Lease for the Pacific Highway upgrade from Nambucca Heads to Urunga
- Preparation of a brief for the revision of the Bellingen Pedestrian Access and Mobility Plan (PAMP) and cycle plan
- Preparation of 10 year Road Capital Works Program



Economic Development

The Economic Development Unit of Council is focused on working toward the Bellingen Shire's 2030 Community Vision. The key goals are to establish a resilient economy, promote balanced and sustainable tourism and nurture an agricultural sector that provides our community with healthy, fresh food.

To achieve these goals our work is underpinned by attracting investment to the Shire, providing the appropriate infrastructure to support growth, and working with local business and regional partners to ensure we have a vibrant, sustainable and diverse economy.

The Unit is composed of the Manager Economic and Business Development, the Volunteers and Visitor Information Centre Coordinator and the Grants and Business Development Officer. Apart from its economic development role, the portfolio has the responsibility for managing a number of Council's assets and services. These include public swimming pools, tourist information centres, the Dorrigo Sale Yards and Whites Quarry.

Tourism

- Council strengthened the working relationship with regional tourism agencies to ensure a more balanced approach to how destinations were promoted across the Shire.
- A working group was established to develop a Master Plan for Gleniffer Reserves.
- A key objective will be to address impacts on the environment from increasing visitation.
- Council established an Events Hub at the Waterfall Way Visitor Centre to promote festival and event sustainability and to assist community based organisations in events management.
- A successful Volunteer Celebration was hosted by Council to thank and support volunteers who work across our Shire in a range of community and service based organisations.
- A number of familiarisation tours were conducted of accommodation properties across the Shire to enhance the product knowledge of Tourist Information Centre volunteers.
- The Waterfall Way Visitor Centre received significant internal and external enhancements to make it more appealing to visitors.
- The sale of commission based event tickets commenced at the Waterfall Way Visitor Information Centre to assist in the promotion of local events.
- The development of a feasibility study for the Urunga Tidal Facility commenced.

Economic Development

- Council hosted digital workshops in Dorrigo, Bellingen and Urunga to enhance the e-commerce capability of local business.
- Bellingen Shire was represented at the Country Living NSW Expo in Sydney; this is a key marketing platform to tourists along with tree changers and sea changers.
- Council collated information on local business to facilitate local employment and contracting opportunities generated from the Pacific Highway upgrade.
- Council worked closely with individual companies to facilitate customised solutions for improved National Broadband Network coverage.



- A new mentoring service was introduced to assist local businesses with business planning and development and their engagement with Council.
- Community Events signage was established to provide a more professional approach to marketing local festivals and events.
- Council significantly increased engagement with Chambers of Commerce and community organisations to enhance economic development across the Shire.

Grants

- A successful grant application saw the installation of outdoor gym equipment in Connell Park next to the children's playground which sees ongoing regular use by the community. Adding to this valuable community asset, the Bellingen Rotary Club installed a further two pieces of equipment.
- The Dorrigo Swim Centre has seen some valuable improvements with the installation of a new accessible toilet thanks to a grant from the State Government's Community Building Partnership Fund. A \$40,000 energy efficiency project was also undertaken with thanks to a grant from the Department of Families and Community – Sport & Recreation that will see a saving on energy costs of approximately \$6,000 per year. This project was partly funded by Council.
- The Local Government Energy Efficiency Program has enabled a solar installation to heat the showers at both the Bellingen and Dorrigo Swim Centres.
- The Better Waste Recycling Fund provided Council with a grant of \$71,931 to enable better waste management practices, increase recycling and diversion from landfill and improve the management of problem waste. A significant project funded from this will be the installation of a weighbridge at the Raleigh Waste Management Centre.
- The previous Council Donations Fund saw a change with its metamorphosis into the Community Support and Community Event Sponsorship Funds. These Funds help the community to run programs and projects that have a broad community benefit. The Funds have contributed \$49,826 in the last financial year to support various community organisations and events such as Local MADE, the Arts Council of Dorrigo, Girl Guides, Bellingen, Dorrigo and Urunga Country Women's Associations, the Bellingen River Festival, the Jazz Festival and the Kalang Progress Association.

Swimming Pools – Dorrigo, Bellingen & Mylestom

Council recognises that our community significantly values its public sporting infrastructure. Not only does it promote a healthy lifestyle, but it enhances social cohesion and community spirit. Throughout 2014, Council made significant improvements to all its public swimming pools which will result in a positive social, economic and environmental impact.

- A service review process was undertaken for the Bellingen Swimming Pool.
- Council engaged YMCA to manage Bellingen & Dorrigo Swimming Pools.
- Bellingen Swimming Pool realised a significant increase in attendance.
- At Bellingen Pool, Council installed a chlorine dosing system, repaired the expansion joint and ballast tank, made improvements to the amenities and gardens, repaired roof tiles and installed solar panels.



- Dorrigo Swimming Pool recorded a strong average increase of revenue.
- At Dorrigo Pool, Council installed disabled amenities, made repairs to roofing panels, improved waste water drainage, repaired the pool heater, replaced shade cloth and introduced \$40,000 worth of solar panels that will significantly reduce energy costs.
- At Mylestom Saltwater Pool, Council repaired some of the timber decking that was posing a risk to the public.

Dorrigo Saleyards

- An on-going maintenance program is now in place to enhance the facility and improve safety of patrons and staff.

Land Use Services

Council's Land Use Services team is responsible for the provision of professional and efficient services to the development industry and community that comply with Council's statutory and regulatory responsibilities in the functions of town planning, development control, strategic land use planning, land information, public and environmental health, building regulation control, on-site sewage management and ranger services.

Following the full organisational review adopted in June 2012, Council's Planning and Building & Regulation Units underwent a further realignment. In April 2014 the two units combined into Council's Land Use Services Department, under a single Manager.

The process continues with a review into Council's Ranger services which is expected to be finalised by the end of 2014. The implementation of this realignment remains a work in progress.

The Land Use Services team achieved a number of significant outcomes during the 2013/14 reporting period. The following is a snapshot:

- One hundred and ninety six development applications were processed during the 2013/14 financial year, an increase from 152 the previous year and 188 the year prior.
- A total of 32 Section 96 applications were determined and 20 Complying Development Certificates (CDC).
- Total construction value for the 2013/14 financial year was \$12,187,165 (Development Applications) and \$1,358,220 (Complying Development Certificates).
- There were 128 Construction Certificates, 121 Occupation Certificates and 13 Subdivision Certificates issued.
- Council has achieved a continual improvement in the average time taken to process development applications from 58 days in 2011/12, 55 in 2012/13 to 53 days this year.
- Council introduced a notification procedure for Complying Development Certificates (CDC). This is a new requirement introduced in February 2014 by the State Government for councils or private certifiers to give advice in writing to neighbours (within a 20 metre radius of the development site) 14 days before a CDC is determined. Applicants must also advise neighbours in writing at least 7 days before the building work begins.



- The NSW Government introduced the Swimming Pools Amendment Act 2012 which required all NSW Councils to develop and introduce a swimming pool barrier inspection program in consultation with their communities. Councils were required to adopt individual programs by the 29 October 2013. Council adopted a 5 year cycle inspection program at its Ordinary meeting of 23 October 2013.
- As part of the development of Council's swimming pool barrier inspection program Council participated in a state-wide public awareness campaign, regarding swimming pool safety and the pool registration process delivered by Royal Life Saving Australia (NSW). Council also placed advertisements in the local papers and on Council's website addressing the issue of pool safety and inviting the community to complete a Swimming Pool Inspection Survey it had developed. The survey results were used to inform the program and the most salient point to come from the survey was that the majority view (82%) that adult supervision is the most important aspect of child safety around swimming pools, followed by Learn to Swim Programs and Pool Fences both 70%.
- Council adopted the Community Facilities and Open Space Infrastructure Section 94 Developer Contribution Plan 2014, which provided the mechanism to facilitate investment of \$780,000 on a range of important community facilities including:
 - Gleniffer Reserves master planning & upgrade works
 - Cedar Reserve Park upgrade
 - Bellingen Park landscape upgrade
 - Piggott Park upgrade
 - Dangar Falls landscape upgrade
 - Connell Park netball courts
 - Mylestom Reserve landscape upgrade
- Council's Local Environmental Plan amended to allow secondary dwellings to be constructed in certain rural zones, providing an important alternative source of housing for a broad cross section of the community.
- In consultation with the Office of Environment and Heritage (OEH) and the Koala Working Group, 2013-14 saw the completion of fine scale vegetation mapping and koala habitat mapping for part of the Shire.
- Council achieved project deadlines that allow Bellingen Shire Council to participate in the state wide Electronic Housing Code project. This involved a significant effort by Council's Land Information Officers to ensure that Council's property system was configured to participate in this project and it provides an important electronic resource for customers to investigate and apply for certain developments from the comfort of their own home.
- A partial endorsement from the Department of Planning for Council's Employment Lands Strategy was received and the public exhibition phase for the first LEP amendment arising from the ELS (rezoning of part of William St to Zone B2 Local Centre) was completed.
- A Compliance Policy was adopted to provide for the consistent and transparent exercising of Council's regulatory functions.
- A minor amendment to the LEP to facilitate the approval of a Medical Centre and Seniors Housing project in Dorrigo was commenced
- The Bellingen State Heritage Inventory (SHI) was uploaded to NSW Heritage Office online database
- Council appointed a new consultant to provide heritage advice.



- The Local Heritage Assistance Program was continued with five projects funded to a value of \$27,866 (total funding was \$13,027).
- A total of 85 food premises were inspected. Of these, 47 premises were found to have no or a small number of issues, 29 premises were found to have some moderate food safety issues and 9 premises were found to have multiple moderate or major food safety & hygiene issues. Consequently, 13 food re-inspections were undertaken to ensure compliance was achieved with relevant food safety and hygiene requirements.
- Educational information in relation to food businesses being required to have a designated staff member with a Food Safety Supervisor (FSS) Certificate was provided to 16 food premises which had not yet done so. Information included fact sheets, brochures and directing business proprietors to the relevant section of the NSW Food Authority website relating to the FSS Certificate requirements.
- Council received four complaints from the public during the 2013/14 financial year relating to food hygiene & handling; foreign matter in food; a single case of food borne illness and the sale of food which was in a deteriorated state. These complaints were followed up and resolved.
- During the 2013/14 financial year the NSW Food Authority introduced a new system for categorising food premises in terms of risk. Three categories are now used: Category 1 – High Risk; Category 2 – Medium Risk; and Category 3 – Low Risk (no inspection required). Prior to this, the Food Authority had a four Category Risk System. Council's Food Register has now been readjusted to reflect the new Food Authorities' Risk Category System.
- The On-site Sewerage Management Scheme (OSMS) Program completed 958 inspections throughout the 2013/2014 financial year; these systems have been mapped and entered into Council's register. Twenty three failing systems were identified with 3 failing systems still outstanding. Investigations into water quality in the Bellinger and Kalang rivers are still ongoing. In addition a thorough review of Council's OSMS register was undertaken to ensure Council has a complete and accurate register of OSMS in the shire.
- Arborist function - 73 tree assessments have been carried out on Council owned or managed land significantly reducing risk to our community and Council.
- Council commenced a review into Ranger Services to ensure statutory obligations are adequately serviced and services are provided in the most efficient and productive manner.
- Council commenced the implementation of the new legislative requirements for menacing dogs under the Companion Animals Act.
- A proactive approach to Companion Animal registration resulted in an increase in the registration of Companion Animals. In addition a more structured approach in handling complaints was implemented which has resulted in a reduction in response times and improved customer service.
- The Ranger Service increased patrols and services relating to compliance and consequently there was a reduction in the number of incidents throughout the community, for example dog attacks, stock on roads and compliance with dogs on leashes in public places.

Community Wellbeing

The Community Wellbeing unit of council covers a range of activities, services and facilities across the community. It includes management of:

- Arts and Cultural policies and plans and their implementation.



- Beach patrols by professional lifeguard contractors and liaison with volunteer surf lifesaving clubs.
- Community Wellbeing Planning and Engagement - for services and facilities for different population segments such as aboriginal people, children and families, young people, aged people, people living with disabilities, men, women and also a liaison point for key services such as health, community transport, housing, safety, recreation and leisure facilities.
- Dorrigo Support Centre - a Home and Community Care funded support centre for people who are frail, aged, living with disabilities or care for someone who is.
- Emergency Services general liaison - Rural Fire Service and State Emergency Services in particular.
- Libraries in Bellingen, Dorrigo and Urunga.
- Section 355 committee management, liaison and information. These voluntary community committees provide care, control and management of community halls, museums, a children's centre, senior centres, playing fields and reserves.
- Youth Hub at Bellingen.

Volunteer Management Committees for Facilities and Community Engagement

- Review and updating of Guidelines for Voluntary Committees (section 355 Local Government Act 1993) managing some of Council's halls, reserves and playing fields facilities.
- Establishment of the inaugural Community Wellbeing Advisory Committee.
- Positive engagement with and ongoing support for Voluntary Committees.

Arts and Cultural

- Development of a comprehensive Public Art Plan for across our Shire.
- Support of an inaugural Arts Week event.
- Support for the Arts and Cultural Advisory Committee.

Beaches

- Successfully tendered for the provision of professional beach patrols for Shire beaches for the next 5 years. The contract was awarded to Australian Lifeguard Services which is a commercial arm of Surf Life Saving NSW.
- Financial contributions to volunteer Surf Lifesaving Clubs for equipment, training and operational costs.

Emergency Services

- Established a formal partnership agreement with State Emergency Service (SES) and agreement was reached regarding the transition of vehicles to SES ownership.
- Regular liaison meetings with the Rural Fire Service.
- Financial contributions totalling \$387,649 were made to NSW Fire and Rescue, Rural Fire Service and State Emergency Service.



Engagement with Aboriginal people

- Positive engagement with local Aboriginal leaders and community and acknowledgment of elder Uncle Tom.
- Successful NAIDOC Week Flag Raising ceremony.

Access and Inclusion

Development of an Access and Inclusion Plan and associated projects such as:

- Tap replacement in high use areas to assist people who have arthritic hands, low levels of dexterity or only one hand to be able to use taps
- Access to Bellingen Neighbourhood Centre being negotiated
- Mobility Map in final stages of development.

General

- Development of Seniors Service ID card to use as generic identification for a range of different services.
- Harmony Day Celebration held on 21 March in Maam Gaduying Park and Bellingen library. The day is a day of cultural respect for everyone who calls Australia home – from the traditional owners of this land to those who have come from many countries around the world.
- Seniors Week feature in Bellingen Shire Courier Sun on 19 March 2014 showing six local people nominated by community organisations for their commitment to community
- Distribution of information on events, grants and training opportunities to Shire community services and organisations

Successful Networking

- Facilitated the formation of a local Youth Network, sharing information and resources on programs
- Facilitated the formation of a Shire wide extended care network, sharing information and resources on programs.
- Facilitated the formation of a Playgroups and Children's Services Group to initiate services, share resources and information.

Library Services

- The Shire Libraries at Bellingen, Dorrigo and Urunga had 130,109 visits with over 46,300 items borrowed.
- 11 babies participated in the libraries weekly Baby Bounce program.
- 324 students from St Mary's Primary School, Urunga Public School and Mount St John's Primary School visited the libraries during Children's Book Week in August 2013.
- Over 200 children or young people participated in school holiday activities and Summer Reading Club events.
- 258 children visited their local library for National Simultaneous Story time in May 2014.



- Radio Frequency Identification (RFID) was launched across the libraries with Bellingen Branch offering borrowers the opportunity to use the Self-Loan Kiosk to loan their own items.
- Council partnered with ABC Open to run a number of successful and popular workshops across our libraries on computer blogging, photography and videoing.
- The Libraries launched Book Club Kits for local book clubs to use.
- Claire Scobie, the author of The Pagoda Tree visited Bellingen Library to talk about her book and book writing.
- Ron and Angela Sims from Family Voices provided an informative presentation on capturing oral histories.

Seniors and People with Disabilities and their Carers/Dorrigo Support Centre

Council's Dorrigo Support Centre continued to provide a range of services on the Dorrigo Plateau for seniors offering regular activities such as:

- Social lunches and talks.
- Fortnightly bus trips.
- Annual and short term get away stays.
- Bingo.
- Pleasure crafts.
- Monthly entertainment show trip to Coffs.
- Local transport.
- Advocacy.
- Annual Seniors Christmas luncheon.
- Christmas lights tour.

In addition the Centre undertook special activities during 2013/14 such as:

- Creation of a mosaic signposting the Hickory House Seniors Centre.
- Establishment of a Carers support group.
- Initiation of personal 'my story' mandalas with seniors and carers.
- Commenced the transformation of the Centre entry into an accessible sensory garden and contemplation space.

Youth Hub

Over the past 12 months, the Centre has:

- Had a steady increase in events for each term.
- Been used by 54 different organisations/groups (with diversity still increasing)
- Seen volume usage steady – averaged at 60%. Young people had an increase in general community usage (expanding usage base outside youth only).



- Been supported by approximately 4000 volunteer hours (external volunteers only) valued at approximately \$100,000 (@ \$25 per hour as valued by Volunteering Australia).
- Continued to establish relationships with community user groups and value-add through collaborative partnerships.
- Continued to build rapport and trust with our young people.

The Hub has provided the following programs and outcomes:

Regular Events

- Strategically supporting 'anchor' events including Camp Creative, Readers and Writers Festival, Jazz Festival, Arts Week & Youth Week.
- Relationship with Youth Education organisations (Schools, TAFE, BCA).
- Regular afternoon activities supported by various organisations.
- Study room regularly available from 3:30pm to 5:30pm.
- Centre open weekdays with some after school activity.
- Youth Clinic Health service.

Major Operational Deliverables

- Opening of new Art Park at the Hub.
- Youth Week activities.
- Driver Simulator/Driver Supervisor Program initiated.
- Youth Clinic expanded to a weekly service.
- Distant Education partnership with Camden Haven realised.
- Migration of Finances from Council to the Hub Management Team and Volunteer Committee.

Positive Outcomes

Strategic and positive in-roads into supporting youth health and wellbeing:

- Introduction of a youth clinic.
- Provision of youth counselling and services by Bellingen Shire Youth Services and Youth Directions.
- Regular drop-in youth counselling and support services.

Introduction of 'social wellbeing' as a foundation for the majority of programs supported by the centre:

- Utilisation of professional youth workers to support activities and events.
- Derivation of a common 'culture' and 'conduct' for the centre.
- Mentoring support for other youth organisations.



HUB being seen as a central identity and safe network for young people and the broader youth community:

- Increased representation from the community regarding young people.
- Common and consistent advertising and branding.
- Collaboration with other groups.
- Relationship building outside of HUB (skate park, Juvenile Justice etc.).

Sustainable Environment and Waste (SE&W)

The Bellingen Shire's community vision is to be "Connected, Sustainable and Creative". To achieve this, Council has and continues to examine the values that we collectively hold and determine how these values or principles can be embedded into all that we do. In order to help achieve this, Council has created a Sustainable Environment and Waste business unit (SE&W) to develop, support and implement innovative projects to achieve these strategic directions, outcomes and aspirations in partnership with our local community, including our indigenous community. The key focus areas include:

- Invasive plant management;
- Biodiversity management;
- Coastal and river ecosystem management;
- Sustainable food production;
- Climate change adaptation and mitigation; and
- Resource recovery.

Achievements:

- Effective contract management of Council's kerbside waste collection contract (Handybin) has contributed to Council being the number one Council in NSW for the highest kerbside waste diversion rates at approximately 84%.
- Connect with your River - this project has seen the implementation of eight best practice on-ground riparian zone rehabilitation projects on the Bellinger and Kalang Rivers to improve river ecosystem health.
- Estuary Action Plan Stage 2 - six high priority site action plans have been developed along 6.5kms of the Bellinger and Kalang River Estuaries. These plans identify high risk erosion hotspots and rehabilitation recommendations. Further, increased sea level inundation levels due to climate change have been identified and rehabilitation recommendations provided.
- Bellingen Shire Council partnered with the Local Land Services, NSW Soil Conservation Service, NSW Department of Primary Industries, NSW Recreational Fishing Trust, NSW Office of Environment & Heritage, Bellinger Landcare, the private sector (Lend Lease and Holcim) and the community to deliver the Rock Fillets for Fish Fillets project in the Bellinger Estuary. This \$400,000 project was an Australian first covering 1.87 hectares. Council contributed to estuary bank revegetation (1800 plants established), the installation of 520 metres of rock fillets (groynes utilising rock, reef balls and wooden pin groynes) and 150 artificial reef structures covering 210 metres, to protect the river bank from erosion, improve mangrove growth and



develop fish habitats. This project has also contributed to Council's social sustainability agenda by increasing the recreational fishing experience for local anglers in the community.

- Bellinghen Island Restoration Project – implementation of best practice river bank stabilisation works to protect Bellinghen Island (endangered ecological community). The project installed wooden pin groynes, log and rock revetment work and the planting of native seedlings to stabilise the riverbank to the east of Bellinghen Island. The project was completed in partnership with the Northern Rivers Catchment Management Authority (design and grant funding), Council's Works section, private contractors and Bellinghen Urban Landcare Group. The quantifiable outcomes of the project are: 70 metres of riverbank stabilised, 200m of riparian vegetation enhanced, 672 native sedges/150 local native tree seedlings planted and a community planting and awareness raising event held with Bellinghen Urban Landcare.
- Opening of the Bowerhouse Community Reuse Centre at Raleigh Waste Management Centre.
- Partnering with Coffs Coast Waste Services in an innovative trial for the collection of used clothing through the existing domestic kerbside commingled recycling collection system (a first for NSW). The aim was to assess the quantity, types and used clothing that may potentially be recovered from households. Results include 1192 households trialled, 1046 households presenting bins, 237 filled clothing bags collected and 0.84 tonnes of clothing collected (41.6% was saleable, 35.5% for export, 9.1% for rag and 13.8% waste).
- Implementing the business model review to ensure Council's resource recovery facilities are compliant with EPA requirements and efficiently resourced. Achievements include commencing staff recruitment across all three of Council's waste facilities, significant landfill remediation works and developing revised safety and Landfill Environmental Management Plans.
- Completing the draft Coastal Zone Management Study which has been subsequently adopted by Council.
- In partnership with the Works section, the SE&W Team constructed 60 metres of wooden boardwalk above the most degraded section of the existing pathway at Dangar Falls Reserve. Further, in partnership with community volunteers, the Dorrigo Aboriginal Green Team and local contractors, the SE&W Team project managed the construction of the Labyrinth, a winding paved pathway which provides a recreational facility to the community with benefits for mental health. This was constructed with funding provided by ETC Community Support Fund, Dorrigo Expansive Education Program and Dorrigo Arts Council. Ongoing bush regeneration at the site continues.
- Implementing the Environment Levy Community Fund (ELCF). The SE&W Team received seven project applications capped at \$5,000 per project from environmental community groups. All seven projects were endorsed by the ESAC and subsequently adopted by Council to the value of \$35,000 facilitating this investment in our community
- Bellinghen Emissions Reduction Program (BERP) - projects implemented as part of this initiative have saved approximately 45,000 kWh of energy and 48 tonnes of greenhouse gas emissions through the installation of solar hot water systems at the Bellinghen and Dorrigo pools; installation of a 20kW photo voltaic solar system at the Dorrigo Pool; LED lighting upgrades throughout Council owned facilities and various timer switches.
- Bellinger River Effluent Assessment and Planning Project - the SE&W Team has now proactively upgraded two Bellinghen Valley dairy farmer's effluent management systems on a 50:50 funding arrangement which will contribute to improved water quality of the Bellinger River.
- Conducting 478 noxious weed inspections and extensive high priority weed control works on public land.

- Council adopting the Service Delivery Review for Weed Management Services which will improve noxious weed mapping, noxious weed inspections and the quality of weed management services delivered in the Shire.

Water and Wastewater

The Wastewater section is responsible for the running, maintenance and upgrading of the sewer treatment plants, pump stations and reticulation network. They are also responsible for ensuring the discharged effluent meets all EPA and health licence and guideline values.

The Water section is responsible for the running, maintenance and upgrading of the water pumps, treatment plants, reservoirs and reticulation network.

Wastewater

- Desludging of Bellinghen Sewerage Treatment Plant (STP) sludge lagoons complete.
- Tenders called for new Dorrigo Sewerage Treatment Plant.
- Sewer telemetry upgrade commenced. This initiative will allow operators remote access to telemetry via tablets and smart phones and moves Council away from restricted software, opening up the market to other vendors to carry out upgrades and updates.
- Routine maintenance works at a range of facilities including Urunga Recreational Reserve, Old Punt Road, Vernon Place, Connell Park and caravan park pump stations which included pump and valve replacement and replacement of a decant gearbox at Bellinghen Sewerage Treatment Plant.
- Replacement of 100m of sewer main through Bellinghen Showground.
- Ongoing maintenance works including the replacement of sewer mains and manholes.
- Operation and maintenance of treatment plants pump stations and reticulation.

Water

Works undertaken at a range of locations including:

- Mains renewal undertaken at a range of locations including Alex Pike Drive, Gordon Road and between Repton and Mylestom.
- New chlorination system installed at Dorrigo Water Treatment Plant
- Telemetry upgrade of water commenced in conjunction with the sewer upgrade, delivering the same benefits.
- Replacement of ageing meters.
- Operation and maintenance of treatment plants, pump stations and reticulation, including replacement of ageing mains and stop valves.



Financial Services

The Finance team oversees financial planning and management activities, including budgeting and forecasting, investments, rating, water billing, reporting and financial compliance. Reporting and compliance is a major function within the Finance unit and ensures the Council's financial statutory obligations are met in a timely manner.

Council's Finance team routinely undertake the following activities throughout the year:

- Preparation of financial statements
- Revision of Long Term Financial Plan
- Preparation of Statement of Compliance return
- Preparation of Pensioner Concession Subsidy return
- Preparation of Monthly BAS
- Preparation of FBT return
- Preparation of weekly payroll
- All rates notices and instalment notices issued
- All water accounts issued
- All creditors paid
- Completed Borrowing return
- Completed Monthly Investment reports
- Undertook the fair value of land and buildings
- Completion of quarterly budget reviews
- Completion of ABS returns

In addition Council undertook the following:

- Tendered for the provision of external audit
- A full rating category review of all land parcels
- Implementation of new GST legislation
- Implementation of new FBT legislation
- A Long Service Leave review
- Council's payroll function was returned in house resulting in improved efficiencies and reduced overheads
- Redevelopment and implementation of a range of policies including pro-rata water and sewerage charges, hardship policy and water restrictors policy
- Commenced proceedings for boundary adjustment with Nambucca Shire Council
- Completed the estimate of pensioner household return



- A review of disability allowances
- Completion of Local Infrastructure Renewal Scheme (LIRS) application
- Calculation of rates estimates for the Special Rate Variation (SRV) application
- Assisted in preparing fact sheets in relation to the SRV
- Commenced electronic delivery of rates notices for Department of Housing
- Assisted preparation of lease register
- Contracted a review of electricity accounts.
- Tendered for the provision of external audit services.

Organisational Development and Strategy

The Organisational Development Unit seeks to enhance the performance of the organisation through a framework of contemporary human resource management principles, guidelines and practices that directly supports Council's goal to attract, develop and retain talented and engaged employees. Focus areas include recruitment and selection, diversity management, employee learning and development, talent management including management and leadership development, succession and career planning, performance planning and management systems, reward and recognition, employee engagement, employee relations and employee safety and wellbeing.

Key actions that have been completed during the last financial year include:

Attract

- Maintaining Council's commitment to aiding the employment of local young people via a hosted trainee program with placements in Council's Library, Customer and Business Services team and Dorrigo Support Centre.
- Providing work experience under various education and employment programs.
- Extending the variety of media used to attract qualified candidates.

Develop

- Commencing a customised development program for Works Supervisors.
- Continuing leadership development activities for managers.
- Maintaining participation in the Local Government Professionals Australia, NSW Branch mentoring program.
- Addressing agreed staff training priorities including formal training on customer service, business writing, corruption prevention, personal resilience and safety training for emergencies, asbestos awareness and "working from heights".
- Partnering with other MIDROC Councils to address regional training needs in a cost effective manner.
- Providing access to online training programs across a wide range of topics including compliance, safety, bullying and harassment and corporate policies.
- Providing a digital skills training program for outdoor workers via State funding.



- Maintaining essential licences and tickets related to the provision of services and the operation of plant and equipment.
- Developing, in partnership with other MIDROC Councils, a plant competency assessment and development process in line with national standards, which received external funding from our insurer.
- Providing support for 15 employees to gain further qualifications related to their roles and/or local government services with 6 of these receiving external funding for associated costs.
- Increasing our learning and development investment per Full Time Equivalent (FTE) year on year.

Retain

- Implementing an online employee performance management system that enables improved alignment with Council's Operational Plan.
- Maintaining a focus on increased internal communication.
- Extending access to information for employees via the corporate intranet.
- Continuing to capitalise on the skills and experience of staff in undertaking Service Delivery Reviews.
- Implementing a Flexible Work Arrangements Policy.
- Continuing to review and update our Work Health and Safety (WHS) management system in line with best practice and changes to the WHS Act.
- Completing actions outlined in a workers compensation improvement plan developed in partnership with our insurer leading to very positive safety outcomes and an anticipated decrease of approximately \$100,000 in the organisation's workers compensation premium for 2014/15.
- Maintaining staff health and wellbeing programs including a manual handling program, an employee assistance program, infection control program, skin checks and continuation of the employee hydration program.

Governance & Engagement

Council's Governance and Engagement team is responsible for a broad ranging set of functions, including the provision of customer service, the oversight of engagement with the community, Council's risk management function including audit, co-ordination of the strategic plans and reports, oversight of Council's ethical controls, compliance with legislation and policy, access to information and privacy management, management of leases and licences, asset management of Council's plant and vehicle fleet, procurement and the operation of Council's store.

Key highlights for the 2013/14 year include:

Procurement

Tenders or major Requests for Quotations were conducted for:

- Provision of External Audit Services.
- Provision of Professional Lifeguard Services.
- Supply of Electricity to Small Sites.



- Supply of Electricity to Large Sites & Street Lighting.

Stores Activities:

- Achieved a \$10,000 p.a. saving on purchasing alternative guide posts.
- Reduction in stock holdings due to more effective supply contracts and suppliers.
- Reduced hire costs by developing a tracking system for hire and replacement of gas cylinders.
- Introduced a more cost effective system to track the issue and return of traffic signs.

Customer & Business Services

- Created and implemented Customer Service Charter and service standards.
- Commenced measurement of first contact resolution rate with a result of 63% achieved as at end June 2014.
- Initiated overdue pet registration mail out resulting in marked increase in income as well as compliance. Monthly action now taken for overdue pet registrations.
- Created efficiencies with the processing and turnaround of certificate times e.g. drainage diagrams, swimming pool certificates of compliance, Section 149 Certificates, etc.
- Undertook customer service, armed hold up and planning/building training in addition to daily multi skilling of team to broaden knowledge base and assist with improved first contact resolution.
- Implemented a Mystery Customer program to embed service standards with a result of 90% as at end June 2014.

Community Engagement

Council engages with the community on diverse issues that affect them and uses meaningful tools to ensure that the community is informed, has opportunities to contribute to the policy making process and is educated about matters that may impact their lives. In line with Council's Community Engagement Framework the following methods were utilised:

- Weekly paid advertising in local newspapers
- 125 Media Releases sent with over 95% reported in local media
- 23 Mayoral columns for Bellinger Courier Sun
- 20 Mayoral 2BBB Radio Shows
- 16 e-newsletters
- 4 Quarterly Community Newsletters
- 7 Community Bridge Updates
- 4 Community Surveys (Customer Service, Coastal Zone Management Study, Swimming Pool Inspection Program and Special Rate Variation)

Website Additional Features:



- Electronic Housing Code Project
- Continuous improvement of MyRoadInfo
- Creation of 'one-stop-shops' for information distribution over critical issues affecting the community such as Special Rate Variation, Newry Island Bridge and Waterfall Way Information Centres.

Website Statistics:

- 52,037 website visits with 47% returning visitors and 52.3% new visitors for a total of 227,089 page views.

Community Meetings and Workshops:

- Community Grants Workshops
- Demographic Information Workshops
- Walk and Tours Behind the Scenes of Council Services x 5
- 2013/14 Environmental Levy Community Fund Information Sessions x 3
- Raleigh Resource (Waste) Centre Reuse Shop Opening
- Spring Plant Fair – community education stall, weed management & Indian Mynas
- Our Service to You Workshop
- Bellingen Outdoor Fitness Centre – Stage 1 Opening
- Special Rate Variation Information Sessions x 4
- Bellingen High School FUTURES Workshop – Protection of Natural Environment
- River Festival – Riverbank Rehabilitation Tour and Community Education Stall
- Dorrigo Show – Community Education Stall: Invasive Plants & Weed Management
- Dangar Falls Reserve Labyrinth and Pathway Upgrade Stage 1 Opening
- Community Learning Centre for Sustainability – Feasibility Study Information Session
- Rock Fillets for Fish Fillets Project Public Meeting
- Public Reserve Environment Rehab. Project, Baker Street Fernmount - Public meeting
- Connect with your River Project Field Trip
- Heritage Development Control Plan Community Information Sessions x 3
- Rally Australia Information Session
- Coffs Coast Digital Enterprise Workshops for local business and community organisations: Making the most of the NBN – Bellingen & Urunga
- Bellingen Environmental Youth Experience (EYE) Guided Canoe Trip



- Ringwood Creek Riparian Rehabilitation Project – Community Working Bee

Community Celebration Days:

- NAIDOC Week Celebrations
- Bellingen Shire Community Ride to Work Day
- Australia Day Awards & Celebrations
- Harmony Day Picnic in the Park
- Clean Up Australia Day
- Earth Hour Community Celebration at Urunga
- Open Day at Bellingen Youth Hub for National Youth Week
- Volunteer Thank You Celebration – Maam Gaduying Park

Policy:

- Media & Communications Policy adopted 10/13
- Preliminary work undertaken to form Social Media Policy, Strategy and Toolkit

General

- Council's logo updated and media banners replaced

Governance, Corporate Planning and Risk Management

- Prepared the 2012-2013 Annual Report
- Prepared the 2014-2015 Operational Plan
- Prepared the quarterly reports against the Operational Plan
- Processed 14 requests to access government information under the Government Information (Public Access) Act 2009
- Processed three internal reports under the Public Interest Disclosures Act 1994
- Met Council's statutory obligations with respect to disclosures of interest for councillors and designated persons under the NSW Local Government Act 1993
- Reviewed local policies under the NSW Local Government Act 1993
- Significantly expanded corporate knowledge on the internal Intranet
- Prepared the Risk Management Action Plan
- Managed 39 insurance claims
- Facilitated the preparation of an unreasonable complainant conduct policy
- Facilitated the preparation of a leases policy

- Established the Internal Audit committee and entered into an agreement with Coffs Harbour City Council and Nambucca Shire Council for a resource sharing arrangement with respect to the Internal Auditor
- Reviewed Council's Business Continuity Plans
- Developed a project management framework and program management framework for business projects

Information Technology and Records Management Services

Information and Technology Services covers all things information and data related. This can be divided into records (information services) and the technology used for managing information (IT). Information services covers distribution, registration and tasking of incoming correspondence; managing retention of documents; overseeing use of document management systems and advising the organisation on information handling responsibilities and best practice.

IT services covers desktop, laptop and mobile device hardware and software support; support of corporate applications; support of Council server and networking equipment; communications including telephony and network links; projects for improvement of services and making use of emerging technologies.

Actions that have been completed during the last financial year include:

- 5300 property files have been digitised for improved access and storage in Council's electronic records and document management system.
- Increased use of templates, workflows and reporting from Council's electronic records and document management system.
- Overdue tasks reduced by 80% since January 2013.
- Free Public Wi-Fi at Bellingen Library has been extended into Maam Gaduying Park.
- Property data now available to the public via Electronic Housing Code website.
- Planners are trialling tablets for remote use.
- MIDROC IT Shared services discussions are progressing with Coffs Harbour, Bellingen, Nambucca, Kempsey, Port Macquarie, Greater Taree and Gloucester.
- Successful uptake of Raleigh Depot training room facility.
- PC upgrade program completed for 2013-14, including additional PCs supplied to Dorrigo Depot and the Waterfall Way Visitor Centre.
- Telephone audit conducted, resulting in cost saving of \$1k for organisation.
- Equipment upgrade for Dorrigo Support Centre.
- Policy adopted by Council regarding recording of meetings.
- Council Chambers set up for audio recording.



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Detailed Report on Delivery Program and Operational Plan for 2013 – 2014 Year by Theme, Aspiration & Strategic Direction





Detailed Report on Delivery Program and Operational Plan

2013/2014

Theme - Resilient Economy

We have meaningful work and vibrant businesses within our community

Our community has a diversity of businesses and new industries

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
RE.1.1.1	Execute the priorities and meet the targets contained within the Strategic Land use Planning Program	RE.1.1.1.1	In the first Quarter following DPI endorsement of the Employment Lands Strategy (ELS), review the recommendations and ascertain those which can be implemented by Council and those reliant on landowner or developer implementation	Manager Land Use Services	Completed	The ELS was partially endorsed by the Department of Planning & Infrastructure in July 2013. A review of recommendations capable of implementation by Council was presented to Council at its Ordinary Meeting of 27 November 2013. Council considered a report on new regions for Growth Planning at its meeting of July 2014. The Regional Growth Plan process will provide further opportunities to review areas excluded from the partial endorsement.
		RE.1.1.1.2	Following the review of the ELS recommendations commence implementation of ELS	Manager Land Use Services	Progressing	Planning Proposal 8, to rezone part of William St in Bellingen as B2, in accordance with a recommendation of the ELS was adopted by Council at its meeting of July 2014. Council will advocate for the inclusion of areas excluded from the initial endorsement of the ELS as part of the Regional Growth planning process that commenced in early 2014. Projects have been identified in next year's program.
RE.1.1.2	An overall improvement in business's perception and satisfaction of Council's outdoor dining policy from 2014 to 2016	RE.1.1.2.1	Undertake an outdoor dining audit and review Council's existing controls and policy by second Quarter 2014	Manager Land Use Services	Completed	Audit completed & draft policy presented to management for consideration. Councillor workshop proposed for Q2 2015 to discuss proposed policy changes.

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
		RE.1.1.2.2	Survey businesses in 2014 in relation to their satisfaction of Council's Outdoor Dining Policy	Manager Land Use Services	Progressing	Work has commenced on the preparation of business survey, however this will be informed by the outcomes of a workshop with Councillors to discuss proposed policy changes in Q2 2015. Project will be carried over into next year's program.
RE.1.1.3	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	RE.1.1.3.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Economic & Business Development	Completed	<p>Council has played an active role in working with a wide cross section of local and regional business to support sustainability and growth. For example, Council attends chamber meetings of both Bellingen and Urunga on a monthly basis. At a regional level, Bellingen Shire Council works with other LGAs and State Govt agencies across the Mid North Coast to advance prospects for regional business and industry. This work has been enhanced by working with specific industry groups like Coffs Coast Manufacturing and North Coast Regional Tourism Organisation. Council has facilitated a range of industry support programs throughout the year. These have included, Digital Workshops in Dorrigo, Bellingen and Urunga and Creative Industries Mentoring.</p> <p>Council has also hosted agencies like AusIndustry to assist local business to enhance innovative practices.</p>

We have innovative and alternative local trading systems

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
RE.1.2.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	RE.1.2.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Economic & Business Development	Completed	<p>Council has been working with the Coffs Harbour Innovation Centre in developing a concept for Innovation Workshops. It is aimed to hold a workshop in Dorrigo, Bellingen and Urunga.</p> <p>The workshops will involve looking at the benefits of design integration, learning from local companies who are recognised for their innovative practices and discovering strategies to promote and fund innovation. Council has also worked closely with a range of community markets to promote their sustainability. This includes providing business advice, assistance with grant applications, dispersing information on development opportunities. For example, Council met Bellopy Markets on a monthly basis to assist with signage issues and event planning.</p>

Businesses within our shire are ethical and sustainable

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
RE.1.3.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	RE.1.3.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Economic & Business Development	Completed	<p>Through the provision of Section 94 funds, Council has been working with the Gleniffer community to reduce tourism impacts at both a social and environmental level. In February 2014, Council established the Gleniffer Working Group to develop a Master Plan for Gleniffer Reserves. Similarly, Council is working with the Urunga community to establish a feasibility study for the Urunga Tidal Pool.</p> <p>Council is also in the process of drafting a new Economic Development and Tourism Plan. This work will involve qualitative engagement with local industry to align future aspirations and objectives. For example, three tourism workshops will be held across the Shire to look at: future tourism branding, product & industry development, visitor centre management and regional partnerships.</p> <p>Council will also deliver an industry specific digital workshop for the tourism industry on the 4th September which will build capability of local business to market their businesses through digital platforms.</p>

We have the public infrastructure to appropriately support business activity

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
RE.1.4.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	RE.1.4.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Asset Management & Design	Completed	Opportunities to improve public infrastructure to appropriately support business activity are considered when planning Council operational programs.
RE.1.4.2	As a major enabler of economic activity, review Road Asset Management Plan (including measures and targets) on an annual basis	RE.1.4.1.2	Carry out a staged review of the RAMP to ensure that it is up-to-date, relevant, reflects best practice in local government asset management which is progressively adopted by Council (1st stage by 30/6/2014).	Manager Asset Management & Design	Completed	The Road Asset Management Plan was updated in Q3.

We are a disaster resilient community

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
RE.1.5.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	RE.1.5.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Asset Management & Design	Completed	Opportunities to improve the disaster resilience of the community are considered when planning Council operational activities.
RE.1.5.2	Review Business Continuity Plan annually for correctness and currency	RE.1.5.1.2	Review Business Continuity Plan annually for correctness and currency	Manager Governance & Engagement	Progressing	17 of 19 Sub-plans reviewed & updated. Two plans reviewed and awaiting final updates.

Our families are able to support themselves locally

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
RE.1.6.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	RE.1.6.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Economic & Business Development	Completed	<p>Council is working on a number of levels to increase employment opportunities throughout the Shire. This includes working with the National Broadband Network to ensure that residents have optimum broadband coverage to promote home based work opportunities. Council has organised one on one assistance for local business and NBN management.</p> <p>Council is working with community groups like the Bellingen Shire Education and Business Alliance to promote youth retention throughout the Shire. This work strengthens relationships between Council and the education sector to increase work experience opportunities for school students.</p> <p>Council also works very closely with chambers of commerce across the Shire to understand what the challenges and constraints are with local business development. Council also supports these organisations in distributing a wide range of information to assist business development from state and federal government and peak bodies.</p>

We have balanced sustainable tourism

Our Shire has a wide range of experiences for visitors

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
RE.2.1.1	Implement the 5 year Economic Tourism Development Plan	RE.2.1.1.1	Review the action items in the Economic and Tourism Development Plan in relation to priorities and Council role and resources and liaise with relevant stakeholders with a view to updating these priorities by 2nd Quarter	Manager Economic & Business Development	Completed	<p>Council has been working with the Economic Development Advisory Committee to progress the development of the new Economic Development and Tourism Plan 2015-2020. Council has also been involved in the proposed merger of the Tourism Coffs Coast Board and Coffs Coast Tourism. A new, twelve month Memorandum of Understanding will be established between Council and Coffs Harbour Council for marketing the Bellingen Shire. The Economic Development Advisory Committee has provided an endorsement to hold three tourism workshops across the Shire. These forums will provide input into Council's new Economic Development and Tourism Plan and will seek industry input around future branding of the Bellingen Shire and our on-going marketing arrangement with Coffs Council.</p> <p>Council has been very active working with the three key Chambers of Commerce from across the Shire. This has enhanced relationships with the business community and improved communication around business and community issues.</p>

Our regional tourism assets are enhanced

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
RE.2.2.1	Develop and strengthen effective local and regional partnerships	RE.2.2.1.1	Review the action items in the Economic and Tourism Development Plan in relation to priorities and Council role and resources and liaise with relevant stakeholders with a view to updating these priorities by 2nd Quarter	Manager Economic & Business Development	Completed	The Manager of Economic and Business Development sits on up to 12 local committees. A wide range of activities stem from these meetings including: developing the Gleniffer Master Plan to address increasing tourism impacts to the reserves, working with festival and event organisations to improve synergies through the Events Hub, exploring strategies to promote youth retention in the Shire with the Bellingen Shire Business and Education Alliance, working with regional economic development managers from neighbouring shires to look at cooperative and complimentary activities. Council also meets regularly with Regional Development Australia and Trade and Investment NSW to ensure that Bellingen Shire has involvement in regional projects and opportunities

Our tourism providers strive for sustainable operations

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
RE.2.3.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	RE.2.3.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Economic & Business Development	Completed	A number of positive outcomes have been realised in relation to tourism management across the Shire. This has included: building stronger relationships with the three Visitor Centres across the Shire to promote consistency in operations; educating Visitor Centre volunteers through conducting two famil days to increase product knowledge; improving the retail offering at Waterfall Way Visitor Centre; improving both internal and external appearance of the Waterfall Way Visitor Centre; enhancing promotional opportunities for Dorrigo at the NPWS Rainforest Centre; working with Coffs Coast Marketing to ensure there is appropriate marketing of the Bellingen Shire; and participating in regional marketing campaigns. Council recently exhibited at the Country Living NSW Expo which had a strong tourism element. Council will also host three tourism workshops across the Shire to seek input on future initiatives and tourism management.

We have a sustainable local farming sector that provides us with healthy, fresh food

Local food growing, sharing and education initiatives are supported and developed

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
RE.3.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	RE.3.1.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Sustainable Environment & Waste	Completed	Council has now proactively assisted in the upgrade of two Bellinger Valley dairy farmer's effluent management systems on a 50:50 funding arrangement which will contribute to improved water quality of the Bellinger River. Further Council and Bellinger Landcare have confirmed their partnership project for the 2014/15 financial year (including funding arrangements). This project will develop up to 10 sustainable farm plans that result in more sustainable agriculture principals being implemented across the Shire.

Alternative farming systems are employed with examples including cooperative farming and land share

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
RE.3.2.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	RE.3.2.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Sustainable Environment & Waste	Completed	Council has now proactively assisted in the upgrade of two Bellinger Valley dairy farmer's effluent management system on a 50:50 funding arrangement which will contribute to improved water quality of the Bellinger River. Further Council and Bellinger Landcare have confirmed their partnership project for the 2014/15 financial year (including funding arrangements). This project will develop up to 10 sustainable farm plans that result in more sustainable agriculture principals being implemented across the Shire.

Farming practices are financially and environmentally sustainable

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
RE.3.3.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	RE.3.3.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Sustainable Environment & Waste	Completed	Council has now proactively assisted in the upgrade of two Bellinger Valley dairy farmer's effluent management system on a 50:50 funding arrangement which will contribute to improved water quality of the Bellinger River. Further Council and Bellinger Landcare have confirmed their partnership project for the 2014/15 financial year (including funding arrangements). This project will develop up to 10 sustainable farm plans that result in more sustainable agriculture principals being implemented across the Shire.

Agriculture is a valued part of our economy

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
RE.3.4.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	RE.3.4.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Sustainable Environment & Waste	Completed	Council has now proactively assisted in the upgrade of two Bellinger Valley dairy farmer's effluent management system on a 50:50 funding arrangement which will contribute to improved water quality of the Bellinger River. Further Council and Bellinger Landcare have confirmed their partnership project for the 2014/15 financial year (including funding arrangements). This project will develop up to 10 sustainable farm plans that result in more sustainable agriculture principals being implemented across the Shire.

Theme - Community Wellbeing

Our children, youth and seniors are valued, involved and supported

Youth and seniors programs and activities are in place and actively supported

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CW.1.1.1	Develop and implement a Community Support Policy and Procedures which enables Council to improve governance around donations and support	CW.1.1.1.1	Develop Community Support Policy	Manager Community Wellbeing	Completed	Community Support Policy adopted by Council in June 2013 and is now being implemented.
		CW.1.1.1.2	Commence implementation of the Community Support Policy	Manager Community Wellbeing	Completed	Policy was implemented with two rounds of funding offered in 2013/14 benefiting a range of community organisations and events (as outlined earlier in this report).
CW.1.1.2	Continue the provision of the Dorrigo Support Centre and develop and implement a Vision for the Support Centre	CW.1.1.2.1	Commence the development of a Vision for the Dorrigo Support Centre to be adopted by Council, with key recommendations to be implemented annually	Manager Community Wellbeing	Completed	The Dorrigo Support Centre Vision development was delayed pending the appointment of the Co-ordinator. Two rounds of recruitment action were required with the Co-ordinator being appointed in mid May 2014. Development of the vision for the Centre commenced in June. A report to Council will be completed when the draft vision is finalised in 2014/5.

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CW.1.1.3	Implement the Vision for the Youth Centre	CW.1.1.3.1	Constitute the new Youth Centre Management Committee; Recruit the Manager Community Wellbeing; Translate the current contractor (coordinator) to a Council resource through recruitment; Prioritise KPI's for the year with the new Management Committee	Manager Community Wellbeing	Completed	Youth Centre Management Committee implemented along with relevant Terms of Reference. Youth Centre Co-ordinator to continue as a contractor to Council based on management Committee advice. Prioritisation of KPI's determined between the Co-ordinator and the Management Committee and reports are provided to Council based on the key performance areas.

Strong partnerships between schools and our community are in place to allow for intergenerational and cultural learning

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CW.1.2.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	CW.1.2.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Community Wellbeing	Completed	NAIDOC week events at schools attended. Supported the establishment of a bush tucker garden at Dorrigo Public school and a public art mosaic at Urunga Public school. Council has representation on the Bellingen Shire Business and Education Alliance.

Students have a variety of mechanisms such as a support centre and local scholarships

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CW.1.3.1	Implement the Youth Centre Vision	CW.1.3.1.1	Constitute the new Youth Centre Management Committee; Recruit the Manager Community Wellbeing; Translate the current contractor (coordinator) to a Council resource through recruitment; Prioritise KPI's for the year with the new Management Committee	Manager Community Wellbeing	Completed	Youth Centre Management Committee implemented along with relevant Terms of Reference. Youth Centre Co-ordinator to continue as a contractor to Council. Prioritisation of KPI's determined between the Co-ordinator and the Management Committee. Regular reports on key performance areas have been done to Council. The Hub provides a generalised support for students who are youth and also a homework room is available at the Hub for use by students
CW.1.3.2	Development and implement a Community Support Policy and Procedures which enables Council to improve governance around donations and support	CW.1.3.2.1	Develop Community Support Policy	Manager Community Wellbeing	Completed	Community support policy implemented and a range of community organisations and events benefitted in 2013/4
		CW.1.3.2.2	Commence implementation of the Community Support Policy	Manager Community Wellbeing	Completed	Two funding rounds completed during 2013/4 with a range of community organisations and events benefitting from the funds. Implementation commenced July 2013. The total contribution from Council for 2013/14 was \$49,826.

Opportunities exist to share the experience and wisdom of seniors

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CW.1.4.1	Implement the Social Plan	CW.1.4.1.1	Review the Social Plan and outline key priorities and action items to be implemented by both Council and other organisations	Manager Community Wellbeing	Completed	<p>The Social Plan priorities continue to be reviewed and action taken on them when funding or opportunities permit.</p> <p>Specific actions include:</p> <ol style="list-style-type: none"> 1) an upgrade to playground facilities by installation of exercise equipment. 2) a contract being put out for updating the Pedestrian Access and Mobility Plan. 3) a feasibility study being undertaken regarding a swimming facility in the Seaboard area.
CW.1.4.2	Continue the provision of the Dorrigo Support Centre and develop and implement a Vision for the Support Centre	CW.1.4.2.1	Commence the development of a Vision for the Dorrigo Support Centre to be adopted by Council, with key recommendations to be implemented over the coming four years	Manager Community Wellbeing	Completed	<p>The Dorrigo Support Centre Vision development was delayed pending the appointment of the Co-ordinator. Two rounds of recruitment action were required with the Co-ordinator being appointed in mid May 2014. Development of the vision for the Centre commenced in June. A report to Council will be done when the draft vision is finalised in 2014/5</p>

We are a learning and creative community

The benefits and understanding of lifelong learning are promoted

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CW.2.1.1	Provide internet access to the community in selected public places	CW.2.1.1.0	Expansion of public Wi-Fi hotspot in and around library/park area	Manager Information & Technology Services	Completed	Council approved the Public Wi-Fi Strategy at the May 2014 Ordinary meeting. Cabling and hardware installations are complete at Bellinghen Library. The repeater unit has been repositioned at Memorial Hall; signal broadcast is significantly improved providing coverage to park area. A media release was issued at end June 2014 featuring a photo of Mayor and IT team using the new service. Service is switched on in park area and is proving popular with users. Dorrigo and Urunga Library extensions are also planned to be scheduled outside of this financial year.

There are opportunities for lifelong learning including regaining and retaining traditional skills

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CW.2.2.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	CW.2.2.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Community Wellbeing	Completed	Meeting held with Dorrigo University of the Third Age to explore possibility of a similar group in Bellingen/Urunga. Plans are being developed for information and services to outlying areas. Men's shed provide opportunities for learning. Community organisations in Bellingen, Dorrigo and Urunga offer opportunities for learning in areas such as computer technology, environmental education, music, art.

Our community is motivated to participate in lifelong learning activities

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CW.2.3.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	CW.2.3.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Community Wellbeing	Completed	Council's role is to influence. Council promotes opportunities through its website and general advertising, and promotion of events; and also through email information alerts to a range of community organisations. Council provides venues in which activities can occur.

A diversity of cultural and artistic activities is available across the Shire

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CW.2.4.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	CW.2.4.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Community Wellbeing	Completed	Council supports a range of arts and cultural festivals and events throughout the Shire that provide a diversity of activities. Council also provides prize money for an acquisitive art prize at the Bellingen and Dorrigo Shows. The Arts and Cultural committee is also supported, and a Public Art plan for the Shire has been produced.
		CW.2.4.1.2	Provide support to the Arts and Culture Advisory Committee	Manager Community Wellbeing	Completed	Council supports a range of arts, cultural festivals and events throughout the Shire that provide a diversity of activities. Council also provides prize money for an acquisitive art prize at the Bellingen and Dorrigo Shows. The Arts and Cultural committee is also supported and a Public Art plan for the Shire has been produced.

We value, honour and actively acknowledge our Gumbaynggirr culture and heritage

We actively engage with and include the perspectives and knowledge of aboriginal people

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CW.3.1.1	Meet at least twice a year with local Gumbaynggirr elders to discuss Council activities and obtain their input as stakeholders	CW.3.1.1.1	Identify relevant stakeholders/elders and commence bi-annual meetings	Manager Community Wellbeing	Completed	Meetings held with a range of Gumbaynggirr community leaders throughout the year to hear their perspectives. Attendance at NAIDOC week initiatives. Met with service representatives from the indigenous Co-ordination Centre. Harmony Day celebrations held in Bellingen with food and music from different cultures to raise awareness and promote racial harmony. Discussion held with Aboriginal tutor at Bellingen High.

Opportunities exist to learn about our aboriginal language, history and culture

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CW.3.2.1	Expand the catalogue of Aboriginal resources in all three libraries	CW.3.2.1.1	Identify Aboriginal resources in varying formats	Librarian	Completed	Clarence Regional Action Plan 1.2. 8 focus is on expansion of Aboriginal resources. Identification and selection has been completed for this financial year. It will continue into the next financial year with regional library budget allocated to continuing to expand this collection.
		CW.3.2.2.2	Apply for appropriate funding for the expansion of the resources	Librarian	Completed	The BSC Shire Librarian and Clarence Regional Library Regional Librarian will continue to seek grant funding to continue to develop this collection. The funds allocated for this collection this financial year have been spent and there has been funds allocated to continue to develop this collection in the next financial year's budget.
		CW.3.2.2.3	Promote the catalogue of Aboriginal Resources through Council newsletters	Librarian	Completed	A media release was published in The Courier Sun during NAIDOC week in July 2014 and the new resources in this collection were displayed at the Bellingen Library.

We have regular aboriginal events, activities and storytelling in an appropriate cultural space

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CW.3.3.1	Meet at least twice a year with local Gumbaynggirr elders to facilitate and/or promote Aboriginal events, activities and story telling	CW.3.3.1.1	Identify relevant stakeholders/elders and commence bi-annual meetings	Manager Community Wellbeing	Completed	Meetings held with a range of Gumbaynggirr community leaders to hear their perspectives. Attendance at NAIDOC week initiatives. Aboriginal language classes held at the youth hub. Meeting processes need to be less formal than a designated number per year. Attendance at NAIDOC week initiatives. Met with service representatives from the indigenous Co-ordination Centre. Harmony Day celebrations held in Bellingen with food and music from different cultures to raise awareness and promote racial harmony. Discussion held with Aboriginal tutor at Bellingen High.

Gumbaynggirr place and language is acknowledged through signage and other mechanisms

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CW.3.4.1	Develop a policy and/or guidelines in relation to the acknowledgement of Gumbaynggirr place and language	CW.3.4.1.1	Establish contact with Gumbaynggirr elders and knowledge holders on culture and heritage to document places of significance that could be acknowledged	Manager Community Wellbeing	Completed	Contact with local Aboriginal Land Council indicated they do not want to share information on or document culturally significant sites as they are concerned increased knowledge of the site whereabouts may mean they are not preserved.

We are connected, safe and healthy with a strong sense of community

Community groups actively communicate and collaborate

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CW.4.1.1	Ready access to relevant stakeholders for community engagement purposes	CW.4.1.1.1	Actively promote the directory of community organisations	Manager Community Wellbeing	Completed	Directory promoted on website and to organisations and individuals seeking information. Interagency meetings of shire services attended to facilitate collaboration. Regular information updates communicated to extensive database of community organisations.
		CW.4.1.1.2	Community groups are offered the opportunity to utilise Council's website to promote events and communicate with the community	Manager Governance & Engagement	Completed	Arrangements have been made to facilitate the promotion of community group activities on Council's website.

There is connection between and across our communities

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CW.4.2.1	Ready access to relevant stakeholders for community engagement purposes	CW.4.2.1.1	Actively promote the directory of community organisations	Manager Community Wellbeing	Completed	Directory promoted on website and to organisations and individuals seeking information. Interagency meetings of shire services attended to facilitate collaboration. Regular information updates communicated to extensive database of community organisations.
		CW.4.2.1.2	Community groups are offered the opportunity to utilise Council's website to promote events and communicate with the community	Manager Governance & Engagement	Completed	Arrangements have been made to facilitate the promotion of community group activities on Council's website.

We have the programs, services and infrastructure to ensure a safe community

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CW.4.3.1	Where required resource emergency services (RFS, SES, etc.) to enable appropriate response	CW.4.3.1.1	Conduct an audit of Council's responsibilities in relation to Emergency Service organisations in order to develop a resourcing strategy if required	Manager Asset Management & Design	Completed	Council's responsibilities documented in each emergency disaster plan (DISPLAN). Council has resources available to implement its responsibilities.
CW.4.3.2	Conduct operational planning, liaison and execution with emergency services. Attend 80% of LEMC Meetings. Council representative at all activations of District Emergency Operations Centre where requested by District Emergency Management Officer	CW.4.3.2.1	Conduct operational planning, liaison and execution with emergency services. Attend 80% of LEMC Meetings. Council representative at all activations of District Emergency Operations Centre where requested by District Emergency Management Officer	Manager Asset Management & Design	Completed	All LEMC meetings attended. Liaison has been undertaken with emergency services in relation to Newry Island Bridge load limit.
CW.4.3.3	Provide beach control activities at designated beaches	CW.4.3.3.1	Extend the Beach Control contract for 2013-14 and develop tender documents for the 5 years to follow this year. Report to Council on the results of the 2013/14 season	Manager Community Wellbeing	Completed	Tender evaluation process for up to 5 years completed. Report recommending successful tenderer went to July 2014 meeting.
CW.4.3.4	Conduct enforcement activities as required by legislation and Council resolution	CW.4.3.4.1	Provide ranger service to enable Council to conduct enforcement activities as required by legislation and Council resolution	Manager Land Use Services	Completed	A review is currently underway into Ranger Services to ensure statutory obligations are adequately serviced, and services are provided in the most efficient and productive manner.

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
		CW.4.3.4.2	Provide quarterly reports on actions and enforcements in relation to enforcement activities	Manager Land Use Services	Completed	High level reporting is provided via the monthly Operations report to Council. Work has commenced on establishing a register to enable more detailed reporting.

Our community is diverse, tolerant and understanding

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CW.4.4.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	CW.4.4.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Community Wellbeing	Completed	Council's role is to influence. Harmony Day event held on 21 March. The event was a cross cultural awareness day with food & music from different cultures held at the Library. Participation, promotion and co-ordination for NAIDOC week done.

Theme - Places for People

We have a diversity of beautiful spaces that foster community happiness and wellbeing

We have a variety of passive recreation spaces including riversides, parks and reserves

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
PP.1.1.1	Review and implement the Open Spaces Asset Management Plan (OSAMP) including measures and targets	PP.1.1.1.1	Review OSAMP to ensure that it is up-to-date, relevant, reflects best practice in local government asset management and is adopted by Council by 3rd Quarter	Manager Asset Management & Design	Progressing	Review of OSAMP has commenced. Due to shortage of resources completion of review has been delayed until Q3 2015.

We have a variety of active recreation spaces including playgrounds, sporting fields and multipurpose centres

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
PP.1.2.1	Review and implement the Open Spaces Asset Management Plan (OSAMP) including measures and targets	PP.1.2.1.1	Review OSAMP to ensure that it is up-to-date, relevant, reflects best practice in local government asset management and is adopted by Council by 3rd Quarter	Manager Asset Management & Design	Progressing	Review of the OSAMP has commenced. Due to shortage of resources completion of review has been delayed until Q3 2015.
		PP.1.2.1.2	Incorporate the Public Domain Plan into the Community Facilities and Open Space Plan NB: Dependent on White Paper implications and potential changes to contribution planning	Manager Land Use Services	Completed	The Community Facilities & Open Space Infrastructure Section 94 Developer Contribution Plan 2014 commenced operation on 13 March 2014.

We have a variety of shared community spaces including meeting spaces accommodating public art, cultural and environmental amenity

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
PP.1.3.1	Review and implement Council's Building Asset management Plan (BAMP) including measures and targets.	PP.1.3.1.1	Commence review of BAMP to ensure that it is up-to-date, relevant, reflects best practice in local government asset management so that it can be adopted by Council by 3rd Quarter	Manager Asset Management & Design	Progressing	Review of the BAMP has commenced. Due to shortage of resources completion of review has been delayed until Q3 2015.
		PP.1.3.1.2	Incorporate the Public Domain Plan into the Community Facilities and Open Space Plan NB: Dependent on White Paper implications and potential changes to contribution planning	Manager Land Use Services	Completed	The Community Facilities & Open Space Infrastructure Section 94 Developer Contribution Plan 2014 commenced operation on 13 March 2014.

We have a mixture of affordable sustainable housing options for all in our community

There are affordable housing options for all through a diversity of mechanisms including increased public and community housing

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
PP.2.1.1	Execute the priorities and meet the targets contained within the Strategic Land use Planning Program	PP.2.1.1.1	Review density provisions in Chapter 2 of DCP 2010 (formerly DCP 9)	Manager Land Use Services	Progressing	A methodology for determining the historical uptake of existing density controls has been developed. The detailed review of density provisions cannot take place until such time as field work to complete sewer modelling has been finalised. This is currently taking place and it is estimated that approximately 50% of the necessary field work has been completed. Density reviews will follow the results of the sewer modelling. This project will be carried over into next year's program.
		PP.2.1.1.2	Prepare Planning proposal and submit to NSW Planning to permit secondary dwellings to be approved in Rural Zones, permit boundary adjustments of land in certain rural and environmental protection zones between lots where one or more resultant lots do not meet the minimum lot size, and to provide for the subdivision of lots that are within more than one zone	Manager Land Use Services	Completed	The amending LEP commenced operation on 10 February 2014.
		PP.2.1.1.3	Develop an Affordable Housing Information Sheet	Manager Land Use Services	Completed	Information sheet prepared and distributed including placement on Council's website 14 May 2013.

Sustainable building and retrofitting of existing housing stock is the standard approach

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
PP.2.2.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	PP.2.2.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Land Use Services	Completed	No opportunities have arisen to represent the community's aspirations.
		PP.2.2.1.2	Encourage sustainable building methods and implementation of the Waste Minimisation DCP	Manager Land Use Services	Completed	All applications required to adhere to Chapter 16 Site Waste Minimisation & Management have submitted relevant documentation. Council contributes to the sustainable living publication prepared and distributed by the Bellingen Courier Sun.

Eco-village and community living developments for mixed ages are encouraged

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
PP.2.3.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	PP.2.3.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Land Use Services	Completed	The commencement of Council's LEP to permit secondary dwellings in a wider variety of zones in February 2014 has provided greater opportunities for Shire residents at different life stages (from young adults through to retirees) to remain closely connected and integrated with the prevailing demographic that occupies housing stock in the Shire. An opportunity also exists for Council to advocate for recognition of these more diverse forms of housing in the new planning system, subject to continuation of the reform program by the new Minister for Planning & Environment.

Heritage buildings and sites are protected

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
PP.2.4.1	Review, complete and update the Heritage Inventory to reflect those items listed in BLEP 2010	PP.2.4.1.1	Implement recommendations of Heritage Development Control Plan Study, within scope of new Planning Act for NSW	Manager Land Use Services	Progressing	Draft Chapter 17 – Heritage was considered by Council at its meeting of 26 February 2014 and publicly exhibited from 13 March – 11 April. A series of information sessions were held and letters distributed to affected property owners. A report will be prepared for Council addressing submissions in 2014.

We are connected and able to move around in a safe, accessible, affordable, healthy and environmentally friendly way

We have effective public and community transport linking townships in the Shire and linking to regional centres

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
PP.3.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified.	PP.3.1.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Asset Management & Design	Progressing	No opportunities have arisen to represent the community's aspirations.

Our existing rail network is optimised for freight and local trains

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
PP.3.2.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified.	PP.3.2.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Asset Management & Design	Completed	No opportunities have arisen to represent the community's aspirations.

We have a network of cycle ways, footpaths and walking trails supported by maps and signage

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
PP.3.3.1	Review, adopt and implement the Pedestrian Access Mobility Plan (including inter and intra village routes)	PP.3.3.1.1	Review, adopt and commence implementation of the Pedestrian Access Mobility Plan and seek funding where available	Manager Asset Management & Design	Progressing	Consultants have been appointed to update the Pedestrian Access Mobility Plan and Bike Plan
		PP.3.3.1.2	Develop and adopt Bike Plan	Manager Asset Management & Design	Progressing	Consultants have been appointed to update the Pedestrian Access Mobility Plan and Bike Plan

Our local infrastructure supports electric vehicles and non-motorised forms of transport

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
PP.3.4.1	Review and implement Road Asset Management Plan including measures and targets	PP.3.4.1.1	Review the RAMP to ensure it supports future electric vehicles and non-motorised forms of transport	Manager Asset Management & Design	Completed	The Road Asset Management Plan was updated in Q3

We have a system of safe, well maintained roads including car calming infrastructure

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
PP.3.5.1	Review and implement the Road Asset Management Plan including measures and targets	PP.3.5.1.0	Carry out a staged review of the RAMP to ensure that it is up-to-date, relevant, reflects best practice in local government asset management which is progressively adopted by Council (1st stage by 30/6/2014)	Manager Asset Management & Design	Completed	The Road Asset Management Plan was updated in Q3.

We have the facilities and services needed to be a healthy and active community

Health care options and facilities are enhanced across the Shire including birthing, palliative and aged care support

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
PP.4.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	PP.4.1.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Community Wellbeing	Completed	Council's role is to influence. New aged care facility at Raleigh has been completed which has specific palliative care and dementia beds. Council assessing a Development Application for seniors housing in Dorrigo. The youth clinics continue to operate at Dorrigo and Bellingen providing free services to youth.

There is a holistic approach to health

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
PP.4.2.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	PP.4.2.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Community Wellbeing	Completed	Council's role is to influence. Both medical Doctors and alternative health practitioners available in many of the Shire towns. The youth clinic in Dorrigo operates well. The youth clinic operating out of the Bellingen Youth Hub is planning expansion to provide alternative therapies as well as GP consults. Alternative practitioners available in many of the Shire towns.

There is active participation in a range of sporting and recreational pursuits

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
PP.4.3.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	PP.4.3.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Community Wellbeing	Completed	Council's role is to influence. Council provides a range of both indoor and outdoor sporting facilities and recreation facilities to facilitate participation. Volunteer s355 committees of Council provide care, control and management of many Council facilities.

Healthy lifestyles and practices are enhanced

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
PP.4.4.1	Implement the Open Space Management Plan and the Buildings Asset Management Plan	PP.4.4.1.1	Review the Community Facilities and Open Space S94 Plan	Manager Land Use Services	Completed	The Community Facilities & Open Space Infrastructure Section 94 Developer Contribution Plan 2014 commenced operation on 13 March 2014.
		PP.4.4.1.2	Review OSAMP and BAMP to ensure that they are up-to-date, relevant, reflect best practice in local government asset management and is adopted by Council by 3rd Quarter	Manager Asset Management & Design	Progressing	The review of the OSAMP and BAMP has commenced. Due to shortage of resources completion of review has been delayed until Q3 2015.

Theme - Living Environment

We have clean water which is protected and used sustainably

Our waterways are valued, protected and enhanced

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
LE.1.1.1	Implement the Bellinger & Kalang Rivers Estuary Action Plan (subject to Grant funding success)	LE.1.1.1.1	Implement the Stage 3 (& final) of the Connect with Your River Project	Manager Sustainable Environment & Waste	Completed	<p>This project has seen the implementation of eight best practice on-ground riparian zone rehabilitation projects on the Bellinger and Kalang Rivers to improve river ecosystem health on private land. This includes implementing the Bellingen Island Restoration Project.</p> <p>The final stage of this NSW government grant funded project to conduct a field trip to visit on-ground riparian zone rehabilitation projects on the Bellinger and Kalang Rivers was completed with 21 people from the community attending. Further, the final grant report was drafted, reviewed and submitted to the NSW Environment Trust. This project is now complete.</p>

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
		LE.1.1.1.2	Implement Stage 2 of Bellinger & Kalang Rivers Estuary Action Plan	Manager Sustainable Environment & Waste	Completed	All field work was conducted and six high priority Site Action Plans have been developed along 6.5kms of the Bellinger and Kalang River Estuaries. These plans identify high risk erosion hotspots and rehabilitation recommendations. Further, increased sea level inundation levels due to climate change have been identified and rehabilitation recommendations provided. Detailed mapping of endangered ecological communities along the flood plain has been included. Lastly, the final grant acquisition report has been submitted to the Office of Environment & Heritage (OEH) on 18 July 2014. This project will be used to seek external grant funding. This project is now complete.
		LE.1.1.1.3	Implement Stage 1 of the Rock Fillets for Fish Fillets Project - subject to NSW Environment Trust Grant funding success (April 2012)	Manager Sustainable Environment & Waste	Completed	Council partnered with Local Land Services, NSW Soil Conservation Service, NSW Department of Primary Industries, NSW Recreational Fishing Trust, Lend Lease, Holcim and the Mylestom community to deliver this project. Council contributed to the construction of 500m of rock fillets, incorporating 150 reef balls, along the Bellinger Estuary. This is an innovative project and a first in Australia. Council's River & Biodiversity Project Officer then project managed weed control and bush regeneration adjacent to the rock fillets assisting in the bank stabilisation covering 900m2. The final grant acquittal report was also drafted. Lastly, a community information session was held on completion of the project in Urunga with approximately 50 community members attending. This project is now complete.

We minimise our use of water

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
LE.1.2.1	Overall reduction in Council's own water usage	LE.1.2.1.1	Conduct review of Council's water usage to identify opportunities for water consumption reduction	Manager Water & Sewer	Completed	Areas of water reduction were identified within the demand and drought management plans. Actions to minimise water usage are being rolled out progressively. Continuous monitoring carried out, pressure reduction valves installed.

We use our water and wastewater using best management practices

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
LE.1.3.1	Review and implement the Sewer Asset Management Plan	LE.1.3.1.1	Review and execute SAMP to ensure that they are up-to-date, relevant, reflects best practice in local government asset management and are adopted by Council by 3rd Quarter. Will include measures/KPI's and targets	Manager Water & Sewer	Progressing	Plan 70% complete. All data captured and put into NAMS spreadsheets. NAMS data needs to be put into asset management plan template for completion. Project put on hold while the Dorrigo STP tender is being reviewed. Aim to complete project 1st quarter 2015.
LE.1.3.2	Review and implement the Water Asset Management Plan	LE.1.3.2.1	Review WAMP and execute to ensure that they are up-to-date, relevant and reflects best practice in local government asset management and is adopted by Council by 3rd Quarter. Will include measures/KPI's and targets	Manager Water & Sewer	Progressing	Plan 50% complete. All data captured and put into NAMS spreadsheets. NAMS data needs to be put into asset management plan template for completion. Project put on hold while the Dorrigo STP tender is being reviewed. Aim to complete project 1st quarter 2015.
LE.1.3.3	Meet all legislative requirements for Water & Sewer (measure licence reporting & NSW Office of Water benchmarking report).	LE.1.3.3.1	To have minimal health or environmental damage, through monitoring of faecal coliform counts in waterways	Manager Water & Sewer	Completed	Ongoing monitoring carried out every 2 weeks at NATA certified lab. Daily monitoring at treatment plants. Information placed on Councils website. Water quality always passes legislative and health requirements. 95% of sewage effluent discharged meets all requirements.
LE.1.3.4	Implement the Strategic Business Plans for Water and Wastewater including specific measure and expectations against those measures	LE.1.3.4.1	Execute Strategic Business Plan to achieve defined measures and targets within that plan	Manager Water & Sewer	Progressing	Progressing slowly. Will take several years to implement all the recommendations contained within the plan.

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
LE.1.3.5	Implement new Asset Management Software	LE.1.3.5.1	Clearly define requirements for Asset Management Software and report to Council on options	Manager Water & Sewer	Progressing	Discussions initiated with neighbouring Councils regarding resource sharing.

Our surroundings are quiet and clean

Noise pollution is managed

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
LE.2.1.1	Conduct enforcement activities as required by legislation and Council resolution	LE.2.1.1.1	Provide ranger service to enable Council to conduct enforcement activities as required by legislation and Council resolution	Manager Land Use Services	Completed	A review is currently underway into Ranger Services to ensure statutory obligations are adequately serviced, and services are provided in the most efficient and productive manner.
		LE.2.1.1.2	Provide quarterly reports on actions and enforcements in relation to enforcement activities in relation to noise	Manager Land Use Services	Completed	High level reporting is provided via the monthly Operations report to Council. Work has commenced on establishing a register to enable more detailed reporting.
LE.2.1.2	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	LE.2.1.2.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Land Use Services	Completed	All complaints regarding noise have been responded to. Education material made available to the community.

Air pollution is minimised

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
LE.2.2.1	Enforce Policy - Control of Burning	LE.2.2.1.1	Conduct an awareness activity about no-burn areas	Manager Land Use Services	Completed	The No burn policy is available on Council's website.
		LE.2.2.1.2	Set up systems and procedures to capture the number and nature of air pollution complaints to Council	Manager Land Use Services	Completed	High level reporting is provided via the monthly Operations report to Council. Work has commenced on establishing a register to enable more detailed reporting.

We reduce, reuse and recycle

The consumption of resources is minimised

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
LE.3.1.1	Reduce Council's own use of paper through printing and copying by 5% over 4 years	LE.3.1.1.1	Review systems and procedures to capture the number and nature of paper documents produced	Manager Information & Technology Services	Completed	A Report has been developed showing print usage from available statistics. Trends have been analysed based on supplementary information provided by users.
		LE.3.1.1.2	Monitor usage of paper within the organisation reporting annually	Manager Information & Technology Services	Completed	A Report has been written showing print usage from available statistics. Trends have been analysed based on supplementary information provided by users.

We reduce, reuse and recycle our waste

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
LE.3.2.1	Provide an annual education initiative highlighting ways the community can reduce, reuse and recycle our waste	LE.3.2.1.1	Provide an education initiative highlighting ways the community can reduce, reuse and recycle our waste	Manager Sustainable Environment & Waste	Completed	The focus has been to open the Raleigh Re-Use Shop which is an educational initiative for the community to reduce, reuse and recycle waste and has resulted in a tangible outcome. Further, BSC partnered with Coffs Coast Waste Services in an innovative trial for the collection of used clothing through the existing domestic kerbside, commingled recycling collection system (a first for NSW). The aim was to assess the quantity, types and used clothing that may potentially be recovered from households. Results included - 1192 households trialed, 1046 households presenting bins, 237 filled clothing bags collected and 0.84 tonnes of clothing collected (41.6% was saleable, 35.5% for export, 9.1% for rag and 13.8% waste). A trial is now likely to be conducted in the Coffs Harbour City Council area. This project is now complete.

Our community has access to convenient recycling facilities and services

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
LE.3.3.1	Implement the Business Model Review of Council's Waste & Resource Recovery Facilities	LE.3.3.1.1	Undertake works to prepare the Raleigh Re-use Shop for re-opening and staff this centre appropriately	Manager Sustainable Environment & Waste	Completed	The Raleigh Re-Use Shop was opened on 9 August 2013. The project involved installing a new car park, a new native plant garden, a traffic management plan, new traffic control signage and reorganising the internal arrangements of the existing Re-Use Shop. The Re-Use Shop is currently open Friday, Saturday and Sunday and is adequately staffed by our contract Waste Attendants. The Raleigh Re-Use Shop is currently seeing excellent uptake from the community and this initiative has resulted in improved staff morale at the site. This project is now complete.

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
		LE.3.3.1.2	Continue to provide kerbside waste services and operate waste facilities at Raleigh, Dorrigo and Bellingen	Manager Sustainable Environment & Waste	Completed	<p>Council contracts the kerbside waste collection services to Handybin and this is progressing to an excellent standard. Effective management of this contract has contributed to BSC being the number one Council in NSW for the highest kerbside waste diversion rates at approximately 84%. Further, Council initiated discussions with Coffs Harbour City Council and Nambucca Shire Council to prepare the tender for the new kerbside waste collection services for 1 July 2016.</p> <p>Significant operational and environmental improvements have also been made to the Raleigh and Dorrigo Waste Facilities. This includes working collaboratively with Council's Works Team and external experts to conduct extensive earthworks to remediate the landfill to stop leachate contamination, the installation of stormwater drainage system, an extensive site clean-up and initial improvements to the leachate management system.</p> <p>Lastly, site works commenced at the Raleigh Waste Centre's to improve the stormwater wetland and minor leachate seepage point on the southern batter and ongoing site improvements were made to the Dorrigo Waste Facility.</p>

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
		LE.3.3.1.3	Implement Stage 1 of the Business Model Review to ensure Council's resource recovery facilities are compliant with EPA requirements (budget dependant) and efficiently resourced	Manager Sustainable Environment & Waste	Completed	<p>Council's Manager Sustainable Environment & Waste put a report to Council that made recommendation to bring all three of Council's waste facilities to be Council operated. Council subsequently adopted this recommendation in Q1 and this project has commenced.</p> <p>Works completed include remediating the Raleigh Resource Hub, developing revised Landfill Environmental Management Plans for each facility (EPA requirement), implementing new Pollution Incident Response Management Plans which includes staff training (EPA requirement), advertising for a Dorriggo Waste Attendant and setting a budget/work plan for the transition of the Dorriggo Waste Facility to Council's control on 1 December 2013.</p> <p>Stage 1 of the Business Model Review to ensure Council's resource recovery facilities are compliant with EPA requirements and efficiently resourced was completed in Q4. The Waste Management Coordinator role has been recruited. Further, Council's Manager Sustainable Environment & Waste conducted an extensive review of waste fees and charges and subsequently made significant changes to the pricing structure. This was adopted by Council in June 2014 and new signage is in place at the waste facilities.</p>

We live sustainably and reduce our ecological footprint and contribution to climate change

Our community is informed and acts to reduce our ecological footprint

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
LE.4.1.1	Implement the Bellingin Climate Change Risk Adaption Strategy	LE.4.1.1.1	Review the actions from the Bellingin Climate Change Risk Adaption Strategy to be categorised as high, medium and low actions	Manager Sustainable Environment & Waste	Completed	<p>An initial review of the Bellingin Climate Change Risk Adaption Strategy has been completed and this includes assessing the budget to progress on ground climate change mitigation projects. The focus will be to implement the Coastal Zone Management Plan (CZMP). This is an approved BSC (50%) and OEH (50%) funded project to the value of \$60,000 and BSC has recently submitted a revised work plan to OEH for approval.</p> <p>The CZMP aims to formally manage the risks to land and assets from coastal hazards at present and in the future by 2100 (e.g. with sea level rise). The coastal hazards include beach erosion, shoreline recession and coastal inundation.</p> <p>The draft Coastal Zone Management Plan (CZMP) was completed and adopted by Council in June 2014. Council also wrote to all affected private landholders to inform them of the draft Plan and to encourage feedback. The draft plan is now on public exhibition and the final Coastal Zone Management Plan will go to Council in Q1 2014/15 and then to the Minister.</p>

Alternative forms of energy are embraced

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
LE.4.2.1	Substantially decrease mains electricity usage and running costs by running the Admin Building Server Room (all hardware including servers, networking and phone system) on solar power, by the end of June 2017	LE.4.2.1.1	Present report to Council inclusive of an action plan	Manager Information & Technology Services	Progressing	A preliminary report has been drafted for presentation to Council meeting with business case, options and quote information. Action has been marked as 90% complete, as report content is written but yet to be finalised, approved and presented to Council. There is no budget allocation for this project until the 2016/17 year.
LE.4.2.2	Implement actions from the Bellinghen Emissions Reduction Program (BERP)	LE.4.2.2.1	Implement Stage 1 of the BERP project - subject to Federal Gov't CEEP Grant funding success (July 2013)	Manager Sustainable Environment & Waste	Completed	Projects implemented have saved approximately 45,000 kWh of energy and 48 tonnes of greenhouse gas emissions through the installation of solar hot water systems at the Bellinghen and Dorrigo pools; installation of a 20kW PV solar system at the Dorrigo Pool; LED lighting upgrades throughout Council owned facilities and various timer switches. Lastly, Council's Sustainability Officer has been updating the Planet Footprint website to better manage our energy data and ensure this is tracked and measured to an accurate standard (Council currently receives approximately 200 energy invoices). This has proved to be challenging due to the multiple energy retailers Council uses and the number of bills. However, the objective of having a full 12 months' worth of accurate energy and greenhouse gas emissions data for the 2013/14 financial year has been completed. Energy reports will be subsequently presented to Council management and put on the intranet to increase awareness of our energy consumption and carbon emissions in the 2014/15 financial year.

We protect and enhance our biodiversity

Our community understands the value of biodiversity

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
LE.5.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	LE.5.1.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Sustainable Environment & Waste	Completed	The Sustainable Environment & Waste Team is implementing multiple biodiversity improvement projects such as the Jaliigirr Project, Connect with Your River Project, Stage 1 of the Bellingen Island Restoration Project, the Rock Fillets for Fish Fillets Project, upgrading the Dangar Falls Reserve, the Coastal Zone Management Plan and implementing weed inspections and on ground weed control. Further the Manager Sustainable Environment & Waste is the Executive Officer for the Environment Sustainability Advisory Committee (ESAC) to consult with the community in the area of biodiversity.

Biodiversity is managed and protected for future generations

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
LE.5.2.1	Planning controls to improve our biodiversity and protect threatened species are developed and/or refined and adopted by Council as required	LE.5.2.1.1	Planning controls to improve our biodiversity and protect threatened species are developed and/or refined and adopted by Council as required	Manager Land Use Services	Completed	Planning controls currently exist to protect biodiversity & threatened species. The Regional Growth Plan process has recently commenced and this may result in the development of new planning controls for biodiversity and threatened species management.
		LE.5.2.1.2	Undertake vegetation survey and associated mapping	Manager Land Use Services	Completed	The Koala Habitat Study & associated fine scale vegetation mapping were finalised in June 2014.
		LE.5.2.1.3	Undertake Koala Survey	Manager Land Use Services	Completed	The Koala Habitat Study & associated fine scale vegetation mapping were finalised in June 2014.
		LE.5.2.1.4	Commence preparation of Koala Plan of Management for the Shire	Manager Land Use Services	Completed	The Draft KPOM will be reported to Council in August 2014 with a recommendation to commence public exhibition.

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
LE.5.2.2	Complete the Dangar Falls Plan of Management and implement on ground upgrades of the Reserve	LE.5.2.2.1	Implement Stage 1 of the Dangar Falls Reserve upgrade	Manager Sustainable Environment & Waste	Completed	<p>The revised Danger Falls draft Plan of Management has been now endorsed by Council. As this reserve is Crown Land and Council is the Trust Manager, the endorsed draft PoM is now with the Crown and the Minister for approval.</p> <p>The S&NR Team and Works Team implemented the priority on ground projects at the Dangar Falls Reserve. This included upgrading approximately 60 metres of wooden boardwalk above the most degraded section of the existing pathway. Further, in partnership with the community volunteers, the Dorrigo Aboriginal Green Team and local contractors, Council project managed the construction of the labyrinth (a winding paved pathway which provides a recreational facility to the community with benefits for mental health) has been constructed with funding provided by ETC Community Support Fund, Dorrigo Expansive Education Program and Dorrigo Arts Council. Ongoing bush regeneration continues.</p> <p>The S&NR Team was also successful in winning a Crown Lands grant application for \$25,000 to implement further path upgrades, improvements to the labyrinth and ongoing bush regeneration. This will be implemented in the 2014/15 financial year.</p>

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
LE.5.2.3	Implement the Bellinghen Island Biodiversity Restoration Project	LE.5.2.3.1	Implement Stage 1 of the Bellinghen Island Restoration Project	Manager Sustainable Environment & Waste	Completed	<p>This project focused on implementing best practice river bank stabilisation works to protect Bellinghen Island (endangered ecological community). The project installed wooden pin groynes, log and rock revetment work and the planting of native seedlings to stabilise the riverbank to the east of Bellinghen Island. The project was completed in partnership with the NRCMA (design and grant funding), Council's Works Team, private contractors and Bellinghen Urban Landcare Group.</p> <p>The quantifiable outcomes of the project are listed as follows; 70 metres of riverbank stabilised, 200m of riparian vegetation enhanced, 672 native sedges/150 local native tree seedlings planted and a community planting and awareness raising event held with Bellinghen Urban Landcare.</p> <p>This project is now complete.</p>

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
LE.5.2.4	Implement the Jaliigirr Biodiversity Alliance Project	LE.5.2.4.1	Implement Stage 2 of the Jaliigirr Biodiversity Alliance Project (Bellinger River Tree way & Dorrigo National Park Protection)	Manager Sustainable Environment & Waste	Progressing	<p>Stage 2 of the Jaliigirr Biodiversity Alliance Project (Bellinger River Tree way & Dorrigo National Park Protection) has commenced. This project aims to improve the biodiversity of the Shire through ongoing weed control and planting of native seedlings across both public and private land.</p> <p>The quantifiable outcomes of the project achieved until date are listed as follows;</p> <p>Dorrigo National Park Protection (1 sites) – implemented 5.94ha of weed removal to protect that has resulted in the protection of Dorrigo National Park.</p> <p>Bellinger River Treeway (10 sites) – planted 1.43ha of native seedlings, implemented 2.34ha of weed removal and the project has enhanced 5.95ha of native vegetation in the Shire.</p> <p>Council has engaged a further 3 private landholders to implement on ground projects. These sites are located in Dorrigo (adjacent Dorrigo National Park) and in the Hyde's Creek area to expand the koala habitat area in this location to implement weed control and native revegetation across 1.5ha. This process has also included negotiating a new contract with the Local Land Services and maintenance of Council's existing Jaliigirr Biodiversity Alliance project sites.</p>

Threats to biodiversity are identified and mitigated

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
LE.5.3.1	Implement the North Coast Weeds Advisory Committee (NCWAC) Weeds Action Program (WAP)	LE.5.3.1.1	Implement the 12 annual objectives of the NCWAC WAP	Manager Sustainable Environment & Waste	Completed	<p>Key deliverables for this project include aerial inspections on the Dorrigo Plateau targeting Fireweed and issuing approximately 65 letters to landholders, roadside control of Fireweed on the Dorrigo Plateau, white blackberry control works (cut and paint with Glyphosate) in Council managed roadsides and reserves within the Bellingen township, select Camphor Laurel removal in Council reserves, commencing organic pesticide (Bioweed) trials, weed control works completed at the Raleigh Waste Management Centre and ongoing inspections including high risk priority sites 1. Pacific Highway - Kudzu 2. Pine Creek State Forest, Slarkes Road – Tropical Soda Apple and 3. Darkwood Road, Thora – Seeded Bananas. These sites are to be controlled in the 2014/15 year.</p> <p>Further Stage 1 of the Service Delivery Review for Weed Management Services was implemented and Council's ITS Department is currently working with Weed map Pro to set up improved weed mapping software.</p>

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
LE.5.3.2	Implement Council's responsibilities as the Local Control Authority under the NSW Noxious Weeds Act 1993s	LE.5.3.2.1	Conduct 670 annual inspections as the Local Control Authority under the NSW Noxious Weeds Act 1993	Manager Sustainable Environment & Waste	Progressing	Council's Invasive Plants Officer has conducted numerous weed inspections throughout the 2013/14 financial year with resources currently available. In particular, in Q4 Council's Invasive Plants Officer project managed aerial inspections on the Dorrigo Plateau targeting Fireweed and approximately 65 letters were issued to affected landholders. Further inspections were conducted in the coastal zone area. A total of 478 inspections, or 70% of the target 670 inspections, were conducted in the 2013/14 financial year.

We work together to protect and enhance our environment

The guidance of the custodial people is recognised

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
LE.6.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	LE.6.1.1.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Sustainable Environment & Waste	Completed	The SE&W Team is taking steps to better engage with the custodial people of the Shire. Although a whole of Council approach is recommended, the SE&W Team continues to engage with various Aboriginal Green Teams. The Community Wellbeing team has met with a range of Gumbaynggirr representatives to seek guidance.

Our community is informed and educated on environmental issues, threats and opportunities

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
LE.6.2.1	Provide information to the community on environmental issues, threats and opportunities which are specific to our Shire through Quarterly meetings of the Environmental Sustainability Advisory Committee (ESAC)	LE.6.2.1.1	Support community based sustainability & natural resource management education programs, projects & festivals	Manager Sustainable Environment & Waste	Completed	<p>The S&NR Team opened the Environment Levy Community Fund (ELCF) to the community. Council received seven project applications capped at \$5,000 per project from environmental community groups. Council's Manager S&NR subsequently presented the Environment Sustainability Advisory Committee (ESAC) meeting in Q2 for comment and recommendation. All seven projects were endorsed by the ESAC and subsequently adopted by Council to the value of \$35,000.</p> <p>The S&NR Team has presented at the Bellingen Plant Fair, conducted Environment Levy Community fund educational workshops at Urunga, Bellingen & Dorrigo, conducted Bellingen Island educational walking tours with the community and regularly conducts weed identification and riparian vegetation workshops at various private properties throughout the Shire.</p>

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
		LE.6.2.1.2	Build partnerships with the community through Quarterly meetings of the Environmental Sustainability Advisory Committee (ESAC)	Manager Sustainable Environment & Waste	Completed	Council's Manager SE&W conducted five ESAC meetings held during the year. The focus of these meetings have been to build relationships with key members of the community, and community groups, and to be transparent on the projects the SE&W Team is delivering for the community. This has included delivering a presentation that outlines the strategic direction of the team, why projects are chosen and the outcomes delivered by implementing these projects. The 2013/14 environment levy budget and selection of community fund projects was also presented and endorsed by the Committee.

The contribution of our community groups are fostered, supported and celebrated

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
LE.6.3.1	Continue recognition activities for community groups and individuals	LE.6.3.1.1	Conduct annual Volunteers' Day celebration	Manager Economic & Business Development	Completed	The Volunteer Celebration Day was conducted on the 17th May. Celebrations included guest speakers, entertainment and a barbeque lunch. A wide range of volunteer groups from across the Shire were invited to attend. This included emergency services, community organisations and sporting groups. Funding of \$5,000 has been requested to be set aside in next year's budget for on-going recognition and awards for volunteers. At the August 2014 Council meeting, a draft volunteer policy was adopted by Council. Further community consultation will see this policy develop to ensure that it meets the needs of Council and its wide range of volunteer groups. The policy will be supported by an Operations Manual to ensure consistent management of volunteers across all Council departments.

Theme - Civic Leadership

Council is an organisation that embraces business excellence

Financial sustainability is maintained through effective short and long term financial management

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CL.1.1.1	Council meets all of its regulatory requirements in relation to financial management and reporting. MEASURE: meet the requirements of the OP Items against this DP item for each year	CL.1.1.1.01	Long-term financial plan - Reported to Council for adoption by 30 June each year	Manager Finance	Completed	Adopted by Council at 19 February 2014 meeting. This document was included in the suite of documents for the Special Rate Variation application.
		CL.1.1.1.02	Financial Report/Statements - Lodged by the due date with DLG	Manager Finance	Completed	Completed and lodged with the Division of Local Government within the statutory timeframe.
		CL.1.1.1.03	Rates and instalment notices - run as per CivicView schedule	Manager Finance	Completed	Rates notice, instalment notices and water accounts were prepared and sent within the statutory timeframe.
		CL.1.1.1.04	Payroll - Payroll runs conducted in time for pay dates.	Manager Finance	Completed	All Payroll runs were conducted on time for all pay dates.
		CL.1.1.1.05	Quarterly Budget Reviews - Reported to Council within 2 months of end of Quarter	Manager Finance	Completed	2nd and 3rd quarter reviews were reported to the March and June 2014 Ordinary Council meetings respectively.
		CL.1.1.1.06	BAS - Lodged with the ATO by the due date	Manager Finance	Completed	BAS lodged each month within statutory timeframes.
		CL.1.1.1.07	Revenue Policy - Reported to Council for adoption by 30 June each year	Manager Finance	Completed	Adopted by Council at 19 February 2014 meeting. This document was included in the suite of documents for the Special Rate Variation application.

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
		CL.1.1.1.08	Fees & Charges - Reported to Council for adoption by 30 June each year	Manager Finance	Completed	Adopted by Council at 25 June 2014 meeting.
		CL.1.1.1.09	Statement of compliance - Lodged by the due date with DLG	Manager Finance	Completed	Lodged with the Division of Local Government by due date.
		CL.1.1.1.10	Pensioner Concessions Subsidy - Lodged by the due date with DLG	Manager Finance	Completed	Lodged with Division of Local Government by due date.
		CL.1.1.1.11	FBT Return - Lodged with the ATO by the due date	Manager Finance	Completed	Lodged with the ATO by the due date.
		CL.1.1.1.12	All financial statutory requirements	Manager Finance	Completed	Met the requirements of the OP items.
CL.1.1.2	Council meets the requirements contained in the Financial Planning Policy	CL.1.1.2.1	Assess progress against the Financial Planning Policy Quarterly and report to the Executive and Council	Manager Finance	Completed	Progress assessed against the Financial Planning Policy for the Sept, Dec and March quarter and reported to the Executive and Council. The fourth quarter to be reported with the 2014 Financial Year Financial Statements.

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CL.1.1.3	Prepare and implement asset management plan for Plant according to standards of IIMM Asset Management Manual and IPWEA Plant Management Manual	CL.1.1.3.1	<p>Manage assets -</p> <p>Plant Replacements conducted for FY according to Forecast produced in CY H1 2012 or variations as agreed with DGMO.</p> <p>Plant disposals conducted for FY according to Forecast produced in CY H1 2012 or variations as agreed with DGMO</p> <p>Rates calculations conducted for 2014-2015 FY</p>	Manager Governance & Engagement	Progressing	12 items actioned or on track. Review of light fleet mix commenced but unable to be completed due to resource constraints. Some items rolled into 2014/15. Slippage discussed and agreed with DGMO and plans to address resource shortage made for 2014/15.
CL.1.1.4	Manage and review lease agreements for assets owned by Council which are leased to other entities in accordance with the lease agreements.	CL.1.1.4.1	Review lease agreements for assets owned by Council which are leased to other entities in accordance with the lease agreements	Manager Governance & Engagement	Progressing	<p>Lease Policy drafted.</p> <p>Submissions from community on draft policy sought.</p> <p>List of Council leases created from records.</p> <p>Lease register created in corporate electronic management software.</p> <p>Lease data entered into register in corporate electronic management software.</p> <p>Conversations initiated with Coffs Harbour City Council to explore potential resource sharing arrangement with respect to management of leases.</p>
		CL.1.1.4.2	Manage lease agreements for assets owned by Council which are leased to other entities in accordance with the lease agreements	Manager Governance & Engagement	Progressing	Eight leases currently on month-to-month extension. Renewal on hold pending finalisation of lease policy and management procedures.

We attract, develop and retain highly skilled staff

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CL.1.2.1	Implement the agreed priorities (identified in the OP) from the Workforce Management Plan	CL.1.2.1.01	Meet Council's recruitment needs	Organisational Development Advisor, Talent Acquisition & Development	Completed	For the 2014-15 FY Council's recruitment budget has been reduced by \$40k reflecting the ongoing cost savings that have been achieved through improved, more streamlined recruitment activities including the utilisation of online recruitment resources where possible. This year saw some 17 vacancies recruited to. Positive candidate feedback on the professionalism of Council's recruitment processes is regularly received.
		CL.1.2.1.02	Recruit "hosted" trainees and apprentices	Organisational Development Advisor, Talent Acquisition & Development	Completed	Hosted trainees appointed in the following areas: - Customer and Business Support - Disability and Aged Care - Library The program is providing mutual benefit for Council and trainee participants.
		CL.1.2.1.03	Register for 50:50 Vision – Councils for Gender Equity Program (national accreditation and awards program) and achieve minimum of Bronze award	Organisational Development Advisor, Employee Wellbeing	Progressing	A project has been scoped to enable registration for the 50:50 Vision Gender Equity program and achieve bronze status. Registration will follow Council endorsement of the final draft of the Diversity and Equity Plan 2014 - 2018.

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
		CL.1.2.1.04	Develop a system to capture, collate and track organisational training needs	Organisational Development Advisor, Talent Acquisition & Development	Completed	Organisational training needs continue to be identified through a number of mechanisms. Progress continues to be made in encouraging employee usage of Council's Learning Management System. In addition, Council is working collaboratively with MIDROC HR counterparts to identify ways to address regional training needs in a cost effective manner.
		CL.1.2.1.05	Prioritise and address group training needs	Organisational Development Advisor, Talent Acquisition & Development	Completed	Group training needs, which formed the basis of Council's training plan and priorities at the commencement of this year, have been met. Both online and face to face learning has been delivered for staff across a range of topics and technical skills including training in emotional resilience, supervision, harassment and bullying, customer service, business writing and digital skills development.
		CL.1.2.1.06	Increase utilisation of e-learning resources across the organisation	Organisational Development Advisor, Talent Acquisition & Development	Completed	The use of e-learning resources continues to be promoted and usage increased. The delivery of state funded digital skills training for outdoor staff was also achieved during the year in support of our e-learning initiatives. Further, we have now influenced 6 other Council's in MIDROC to adopt the same Learning Management System as BSC with significant cost savings across the group than would have been achieved individually.
		CL.1.2.1.07	Undertake bi-annual succession planning reviews with CET	Exec Manager Strategy & Organisational Development	Completed	Succession planning framework developed. Preliminary review discussions held with ELT.

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
		CL.1.2.1.08	Implement a performance management system which enables improved alignment with DP and OP	Exec Manager Strategy & Organisational Development	Completed	System in place which integrates with operational plan and corporate reporting system. Indoor staff utilising for coming performance year.
		CL.1.2.1.09	Conduct biennial staff satisfaction survey	Exec Manager Strategy & Organisational Development	Completed	Online survey tool developed in-house. Communication and implementation plan developed. Implementation delayed due to other organisational priorities. Scheduled for commencement 1st Quarter of new performance year.
		CL.1.2.1.10	Incorporate nationally recognised competency standards into Council's skills review process	Exec Manager Strategy & Organisational Development	Completed	MIDROC WHS group collaborated throughout the year to develop a consistent approach to assessing and developing plant competency in line with national standards. This project ultimately received external funding from our insurer, StateCover. Three employees are being trained as assessors. Scoping of the wider project related to skills progression within Council's salary structure has concluded. Considerable research has been undertaken in an attempt to identify a pragmatic and value-add solution that continues to meet Award requirements and provides value for money.
CL.1.2.2	Oversee the completion of actions contained within the implementation plan arising from the Organisational Review.	CL.1.2.2.1	Implement recommendations from organisation structure review as per implementation plan and provide regular reports to Council (Quarterly)	Exec Manager Strategy & Organisational Development	Completed	Completed. Final report, as at 30 September 2013, was endorsed by Council.

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CL.1.2.3	Improve Council's WHS performance against agreed measures	CL.1.2.3.1	Complete annual review and update of WHS corporate plan and implement agreed priority actions	Organisational Development Advisor, Employee Wellbeing	Completed	<p>The following priority actions, identified in Council's WHS corporate plan, were completed:</p> <ul style="list-style-type: none"> - review and update of the WHS management system - development and distribution of a WHS Policy - evacuation and emergency procedures updated and practiced - manual handling training provided resulting in a 20% reduction of incidents resulting in injury - health and wellbeing programs being delivered including skin checks, employee assistance program, hydration program, infection control program - volunteer safety handbook drafted - health and safety representatives elected for work groups and provided with training - health and safety committee formed and distribution of information from committee actions provided across organisation <p>This year has seen a decrease in the number and severity of workers compensation claims.</p>
		CL.1.2.3.2	Complete annual review and update of WHS management system	Organisational Development Advisor, Employee Wellbeing	Completed	<p>Council's WHS Management System has undergone significant review with a number of policies and procedures having been updated and transferred to the corporate intranet for ease of access/use by staff.</p>

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
		CL.1.2.3.3	Implement changes arising from new WHS Act	Organisational Development Advisor, Employee Wellbeing	Completed	Council's responsibilities under the WHS Act 2012 continue to be incorporated into the review and upgrade of Council's WHS Management System and plans and through the implementation of the Workers Compensation Improvement Plan jointly developed by Council and our insurer, StateCover.
		CL.1.2.3.4	Implement agreed employee health and wellbeing programs.	Organisational Development Advisor, Employee Wellbeing	Completed	Skin cancer detection program was provided, with 65 participants. Other health and wellbeing programs provided this year included infection control during the cold and 'flu season, a hydration program, and the conduct of resilience training sessions for staff. The employee assistance program continues to be promoted and utilised by staff on a needs basis.
		CL.1.2.3.5	Develop a monitoring system for incident reporting to ensure corrective actions are implemented	Organisational Development Advisor, Employee Wellbeing	Completed	A number of systems have been evaluated to assist in the management and reporting of incidents. The number and severity of incidents involving "lost time" has decreased significantly with a subsequent decrease in Council's workers compensation premium estimate for 2014/15.

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
		CL.1.2.3.6	Develop and implement improved manual handling solutions including training	Organisational Development Advisor, Employee Wellbeing	Completed	The manual handling program conducted throughout the outdoor workforce has led to a significant decrease in injuries related to body stressing. This decrease is in the order of 50% which exceeds the target of 30% set for the program. Staff have shown a high level of enthusiasm for the program, with each participating group nominating a "manual handling champion" to ensure the program has ongoing support within the team.
		CL.1.2.3.7	Implement action from MIDGOC hearing program to comply with legislative requirements	Organisational Development Advisor, Employee Wellbeing	Not Progressing	The WorkCover Authority issued an exemption in regards to the new requirements of the Regulation across all industries to allow organisations sufficient time to plan and prepare for the changes. Council has commenced preparation for conducting noise testing through purchase of equipment and providing training to key staff.
		CL.1.2.3.8	Review and update asbestos management plan and procedures	Organisational Development Advisor, Employee Wellbeing	Completed	"Asbestos Awareness" training has been provided to staff that have a higher risk of encountering asbestos while at work. "Management of Asbestos" training was provided to staff that may be required to handle asbestos as part of their work tasks. A review of the process for disposal of asbestos at Council's waste facilities was undertaken.
CL.1.2.4	Implement Council's 4 year Equity and Diversity Plan	CL.1.2.4.1	Continue implementation of Council's current Equity and Diversity Plan (up to Sept 2013)	Organisational Development Advisor, Employee Wellbeing	Completed	Current 4 year Plan was developed and adopted in September, 2009. Council has undertaken a broad range of activities throughout the preceding years in support of the Plan objectives. These activities are detailed in the 2013 Annual Report.

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
		CL.1.2.4.2	Develop and implement new Equity and Diversity Plan (from Oct 2013)	Organisational Development Advisor, Employee Wellbeing	Completed	Diversity and Equity Plan 2014 - 2018 final draft prepared and ready for consideration by Council. Implementation of the Plan is an integral component of Council's commitment to maintaining a workplace free from discrimination as well as establishing a workforce that is representative of the community it serves. Focus of the new Plan is on the employment of women, the indigenous and youth.

High quality community services and cost effective solutions are delivered

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CL.1.3.1	Achieve 80% first contact resolution for Phone and Counter based Customer Service with available human resources and budget allocation	CL.1.3.1.1	Implement Blackadder Project Plan for Customer & Business Service	Team Leader Customer & Business Services	Progressing	<p>The Blackadder Project Plan has been successfully implemented for the Customer & Business Services team (C&BS).</p> <p>The C&BS team is moving steadily towards the achievement of the 80% target for First Contact Resolution (FCR) with an average year to date performance for both telephone and counter contacts of 65.19% (measurement commenced from January 2014).</p> <p>Information to assist with further improving FCR is constantly identified and uploaded to the intranet knowledge base. Presentations are also conducted by other departmental staff on a regular basis to broaden the knowledge levels of the C&BS team. Training plans aimed at multiskilling team members are underway.</p> <p>The Mystery Customer program has proven beneficial in raising service standards and the consistent delivery of quality customer service with an average YTD overall performance of 90%. Training on the BEST Customer Service System has also been delivered to embed service standards and behaviours in the C&BS team.</p> <p>Customer feedback is invited by way of surveys that can be completed in hard copy or online, and of the 17 received to date, has reflected consistent excellent ratings.</p> <p>Monthly performance of key performance indicators (FCR, Customer Service Satisfaction Rating (CSS), Service Standards and Operational Support) continue to be</p>

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
						<p>measured and reported to management.</p> <p>The introduction of Service Level Agreements (SLA's) as recommended in the Project Plan is under review.</p>

Best practice, sustainability principles, accountability and good governance are incorporated in all that we do

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CL.1.4.1	Identify and respond to changes in National, State, regional and local land use planning principles, statutes and guides	CL.1.4.1.1	Council's Strategic land use planning program is updated biannually or as necessary to reflect emerging trends, community aspirations and to respond to legislative requirements and/or Council resolution	Manager Land Use Services	Completed	The strategic land use program has been updated as necessary. For example, Council recently updated the program to facilitate approval of a medical centre and aged housing proposal at Dorrigo.
CL.1.4.2	Council's Planning and development assessment services provides advice and planning assistance and process Development Applications and other relevant applications	CL.1.4.2.1	Provide advice in relation to statutory planning and development assessment with 100% of all enquiries responded to	Manager Land Use Services	Completed	All enquiries have been responded to. No complaints have been received.
		CL.1.4.2.2	Assess and determine development applications against current statutory and policy requirements. Ensure 100% Assessments in accordance with Section 79c of the Environmental Planning & Assessment (EP&A) Act 1979. Measure the number of successful legal challenges against Council decision under Section 123 EP&A Act 1979	Manager Land Use Services	Completed	All applications have been assessed against Section 79c of the Environmental Planning & Assessment Act 1979. No legal challenges lodged.
		CL.1.4.2.3	Develop a compliance/enforcement policy	Manager Land Use Services	Completed	The Compliance & Enforcement Policy was adopted by Council at its Meeting of 26 February 2014.

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
		CL.1.4.2.4	Regulatory compliance is undertaken in accordance with statutory legislation and the public interest. Effective response to compliance issues will be measured by the number of reviews undertaken by the NSW Ombudsman that resulted in Council modifying compliance procedures	Manager Land Use Services	Completed	Compliance being undertaken in accordance with statutory requirements. No advice received from Ombudsman regarding complaints or changes to procedures.
		CL.1.4.2.5	Processing of Construction, Building and Occupation Certificates. Ongoing administration and assessment. All applications and certificates issued within statutory timeframes	Manager Land Use Services	Completed	All Certificates currently being issued within statutory timeframes.
		CL.1.4.2.6	Processing all standard Section 149 Applications within 5 working days	Manager Land Use Services	Completed	All Section 149 Applications processed in required timeframes.
		CL.1.4.2.7	Assessment and processing of complying development applications. Processing of all applications as submitted and continuous improvements identified. All Complying Development Certificates are processed within statutory timeframes	Manager Land Use Services	Completed	All complying development applications assessed within the required timeframe. Please note that changes to legislation in February now require notification of complying development applications which in turn has changed the determination period from 10 to 25 days. Council's participation in the eHousing Code will allow for electronic submission of CDC's and continuous improvement in processing times.

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CL.1.4.3	Ensure an unqualified audit report annually	CL.1.4.3.1	Implement internal audit committee and process	Manager Governance & Engagement	Progressing	Council resolved to establish Audit Committee. Charter for Audit Committee adopted. Expression of interest conducted for independent chair of Audit Committee and interviews scheduled for early 2014/15. Quotations for internal auditor considered by NSC and BSC staff and selection of Coffs Harbour City Council to provide internal audit services resolved by Council.
		CL.1.4.3.2	Manage revaluation process	Manager Finance	Completed	Managed revaluation process which resulted in unqualified 2013 Financial Year Financial Statements.
		CL.1.4.3.3	Ensure that a contract is in place for external audit services and manage that tender and contract	Manager Finance	Completed	Managed tender and contract for Provision for Audit Services.
		CL.1.4.3.4	Ensure that external audit is conducted	Manager Finance	Completed	External audit conducted in September 2013.
CL.1.4.4	Achieve a governance health check rating of at least 3 in all items using LGMA/ICAC document (www.icac.nsw.gov.au/documents/doc_download/1300-governance-health-check)	CL.1.4.4.1	Conduct Governance health check, prepare and commence action plan for addressing any elements with a rating of less than 3 by the end of 2014-2015	Manager Governance & Engagement	Progressing	Focus for 2014/15 has been on addressing urgent governance priorities relating to compliance, and which impact governance health, such as access to information, public interest disclosures, internal audit, secondary employment, delegations of authority, annual reporting and performance management. A cross-sectional review of governance including equally important but less urgent areas planned for 2014/15.

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CL.1.4.5	Complete Procurement Roadmap	CL.1.4.5.1	Conduct Procurement & Stores within Council according to centre-led model. MEASURES: 100% of tenders requiring Council approval have a procurement plan. \$10K in demonstrable savings (against previous pricing or from administrative efficiencies) from better non-tender procurement initiatives	Manager Governance & Engagement	Progressing	Centre led model in use. All tenders had procurement plans.

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
		CL.1.4.5.2	Complete Implementation of Phase 1 of Procurement Roadmap	Manager Governance & Engagement	Progressing	<p>Build Roadmap into OP - Complete. Roadmap phases are in Operational Plan.</p> <p>Establish Steering Group - Complete. Steering group established & meets quarterly.</p> <p>Finalise & communicate tender process, templates & roles & responsibilities - Tender process templates, roles & responsibilities finalised & explained in Procurement Plan. Training of staff planned for 2014/2015.</p> <p>Develop Procurement Portal - Complete. Intranet operational.</p> <p>Develop tender process training for Contract Managers - Contract management training delivered in 2013/14. Further training in tendering planned for 2014/15.</p> <p>Finalise & communicate simple procedures for sub-tender purchasing - Initial training in paper order process in prior year. More than 25 different procurement procedures created and placed on Intranet. Further training anticipated following tendering training.</p> <p>Review procure-to-pay & automated commitment tracking process - Procure-to-pay process reviewed in detail in 2012/13. Automated commitment tracking process in progress.</p> <p>Develop proof-of-concept for eReqs - Complete. Some staff currently ordering electronically.</p> <p>Develop p-Card Roll-out Plan - Not yet started. To be part of Financial Sustainability Program.</p>

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CL.1.4.6	Benchmark Community's perception of Council's Communication in 2014 and achieve a score of 3.25 for this measure in a 2016 survey.	CL.1.4.6.1	Consolidate and establish Community Engagement function and role within Council. MEASURES: Job Description prepared. Task transitions resulting from Organisation restructure transitioned either into or out of the role. Goals and objectives for role defined and agreed	Manager Governance & Engagement	Progressing	Committee accounts and GST reconciliations to be reallocated to Finance. Leases reallocated to new Governance & Corporate Planning Officer. All advertising, press releases, and newsletters now being managed by Communications & Community Engagement Officer Formal job description drafted and waiting approval. Work plan for 2014-2015 prepared as part of Operational Plan preparation and expected to be agreed in Q1 2014/15.
		CL.1.4.6.2	Conduct community satisfaction survey including measure of satisfaction with Council's Communication	Manager Governance & Engagement	Not Progressing	Postponed due to commitment of resources to other projects.

Our community is informed and engaged with a strong sense of civic leadership

The community is engaged in decision making and implementation

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CL.2.1.1	Review all S355 Committees for Council for compliance with guidelines and operational effectiveness	CL.2.1.1.1	Review the guidelines of S355 committees and memberships of each committee	Manager Community Wellbeing	Completed	Guidelines completed. Draft guidelines manual on public exhibition after initial round of consultation. Memberships are dynamic and updates are done on membership lists as needed.
		CL.2.1.1.2	Conduct inductions for all committee members based on reviewed guidelines	Deputy General Manager Corporate & Community	Not Completed	Guidelines to be adopted in July 2014 with inductions to occur after this.
CL.2.1.2	Improve the overall score on the Community Satisfaction Survey from the results of the 2012 Survey	CL.2.1.2.1	Finalise preparation and commence implementation of action plans resulting from analysis of last Community Satisfaction Survey and DA Processing Surveys conducted in 2012	Manager Governance & Engagement	Completed	Action plans developed and in general rolled into individual planning areas (e.g. Customer Service, DAs), or governance arrangements arising out of the Special Rate Variation.
		CL.2.1.2.2	Investigate the use of Place making initiatives to improve community engagement	Manager Governance & Engagement	Not Progressing	Postponed due to budgetary constraints.
		CL.2.1.2.3	Conduct Service Delivery Reviews on priority services as identified in the 2012 Community Survey	Manager Governance & Engagement	Completed	Reviews conducted or initiated so far include Weeds, Bellingen Pool, Roads, Bridges, Finance, Ranger function and Water & Sewer. SDR Program rolled into Council's Financial Sustainability Program. Terms of Reference for Council Program of Boards drafted and under review.

Civic leadership is recognised, supported and rewarded

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CL.2.2.1	Recognise Civic Leadership within our community through annual awards and ceremonies	CL.2.2.1.1	Support the Australia Day S355 Committee in the recognition of appropriate civic leaders through Australia Day awards	General Manager	Completed	

We are proactive in supporting, through representation and celebration, the needs and desires of the community

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CL.2.3.1	The Delivery Program supports the aspirations of the community as identified through the Community Vision	CL.2.3.1.1	Report to Council on a Quarterly basis on progress against the operational plan for 2013/14	General Manager	Completed	Quarterly reports against the Operational Plan were presented to council.
CL.2.3.2	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	CL.2.3.2.1	Represent the aspirations of the community as expressed in the Community Vision as opportunities are identified	Manager Economic & Business Development	Completed	Council has worked proactively with a range of community and event organisations to assist them in applying for Council's Community Events Funding. Council opened the new Events Hub in May to assist Events and Festivals in the Shire. The Hub provides free office space, administration support and a retail outlet to sell tickets for events. Council in partnership with Department of Industry and the Creative Industries Innovation Centre hosted a free mentoring service on the 21st August for creative organisations to improve their business planning and management.

Council is proactive in representing the needs of our community

Strong partnerships exist with all levels of government, peak bodies and the community

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CL.3.1.1	Review all S355 Committees for Council for compliance with guidelines and operational effectiveness	CL.3.1.1.0	Review the guidelines of S355 Committees and memberships of each committee	Manager Community Wellbeing	Completed	Guidelines completed. Draft guidelines manual on public exhibition after initial round of consultation. Memberships are dynamic and updates are done on membership lists as needed.
		CL.3.1.1.1	Conduct inductions for all Committee members based on reviewed guidelines	Manager Community Wellbeing	Completed	All committees have the revised guidelines and have met with Council staff as an induction to the revised guidelines.
CL.3.1.2	Maintain membership and active involvement in MIDROC, GMAC and relevant subgroups	CL.3.1.2.1	Attend MIDROC and GMAC meetings and provide input into regional activities and initiatives through the GM and Mayor	General Manager	Completed	
CL.3.1.3	Reconstitute all Advisory Committees as per Council's resolution of November 2012 and support these committees through Quarterly meetings	CL.3.1.3.1	Support Quarterly meetings of advisory committees and report minutes of these meetings, and relevant recommendations, to Council within two months of each meeting	General Manager	Completed	

We are consultative

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CL.3.2.1	Execute the Community Engagement Policy and Strategy	CL.3.2.1.1	Reports to Council outlining the community engagement undertaken for each item presented in accordance with the Policy and Strategy	Manager Governance & Engagement	Completed	Reports to council outline the community engagement undertaken for each item.

The principles of social justice underpin our activities and decision making processes

DP Code	DP Action	OP Code	OP Action	Responsibility	Status	Comment
CL.3.3.1	Implement the Social Plan	CL.3.3.1.1	Review the Social Plan and outline key priorities and action items to be implemented by both Council and other organisations	Manager Community Wellbeing	Completed	The Social Plan priorities continue to be reviewed and action taken on them when funding or opportunities permit. Some specific actions have been an upgrade to playground facilities by installation of exercise equipment, a contract being put out for updating the Pedestrian Access and Mobility Plan and a feasibility study being undertaken re a swimming facility in the Seaboard area.

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Bellingen Shire COUNCIL



Section 2 - Financial Summary and Other Information



Introduction

Section 2 of this report contains a Financial Summary containing some key points from the full audited financial statements as well as any information that Council is required to report in its Annual Report by an Act or Regulation of the NSW Government.

Financial Summary

Financial Statements 2013/14

The Audited 2013/14 Financial Statements and Auditor's Report are contained in Section 3 of this report and are to be presented to the public at the Ordinary Meeting of Council held on 26 November 2014. The Financial Statements are presented in Section 3 of this report.

Income Statement

The operating result from all activities was a deficit of \$4.876m in 2013/14 compared to a deficit of \$2.608m in 2012/13. This result includes grants and contributions for capital purposes of \$4.087m. The expenditure of these grants is not recorded in the Income Statement but in the Balance Sheet and when excluded for comparative purposes, the deficit increases to \$8.963m compared to a deficit in the previous year of \$4.157m.

Total income decreased by \$2.242m (7.6%) primarily due to decreases in interest revenue of \$622k (34.12%), operating grants of \$3.461m (48.88%) and other revenues of \$796k (63.88%). These decreases were offset in part by increases in rates and annual charges of \$683k (6.43%) and capital grants and contributions of \$2.538m (163.85%). The decrease in grant funding is the result of a reduction in major flood works and the decision by the Federal Government to prepay the 1st instalment of financial assistance grant.

Expenses were comparable to those in the 2012/13 financial year.

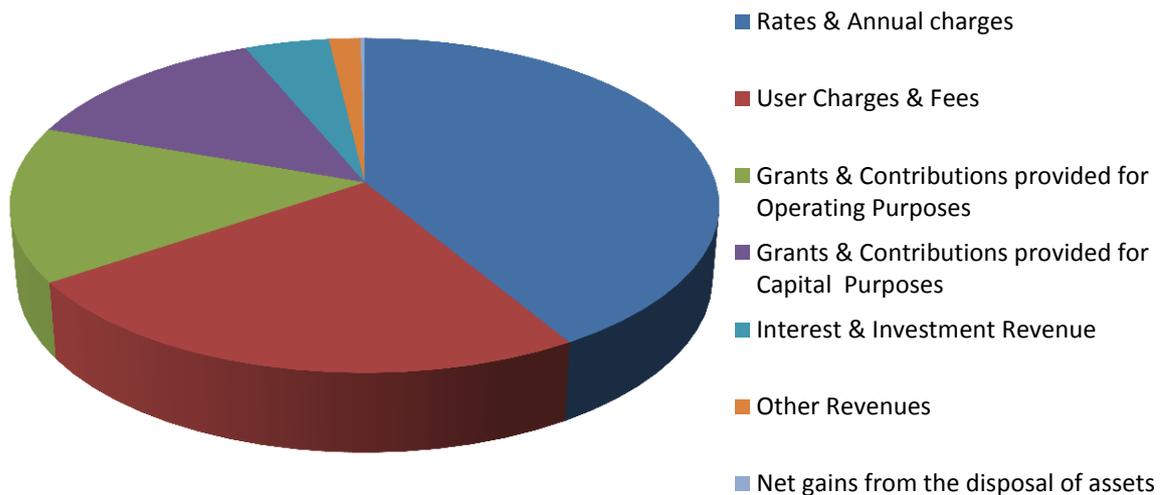
Council Functions/Activities – Financial Information [Financial Statements Note 2(a)]

Activity	Revenues \$'000		Expenses \$'000		Operating Result \$'000		Assets Held \$'000
	Budget	Actual	Budget	Actual	Budget	Actual	
Governance	0	0	727	228	(727)	(228)	-
Administration	825	349	4,557	4,729	(3,732)	(4,380)	30,142
Public Order & Safety	1,062	843	1,451	1,407	(389)	(564)	7,409
Health	88	26	533	8	(445)	18	344
Environment	273	3,635	582	4,736	(309)	(1,101)	211
Community Services & Education	275	278	882	639	(607)	(361)	4,678
Housing & Community Amenities	3,035	297	2,989	1,171	46	(874)	18,006
Water Supplies	2,917	3,237	2,364	2,263	553	974	59,200
Sewerage Services	2,779	3,172	2,954	2,947	(175)	225	46,077
Recreation & Culture	107	137	1,764	2,072	(1,657)	(1,935)	32,593
Mining, Manufacturing & Construction	103	3	132	315	(29)	(312)	359
Transport & Communication	1,738	7,238	9,473	11,253	(7,735)	(4,015)	355,771
Economic Affairs	136	165	433	384	(297)	(219)	4,365

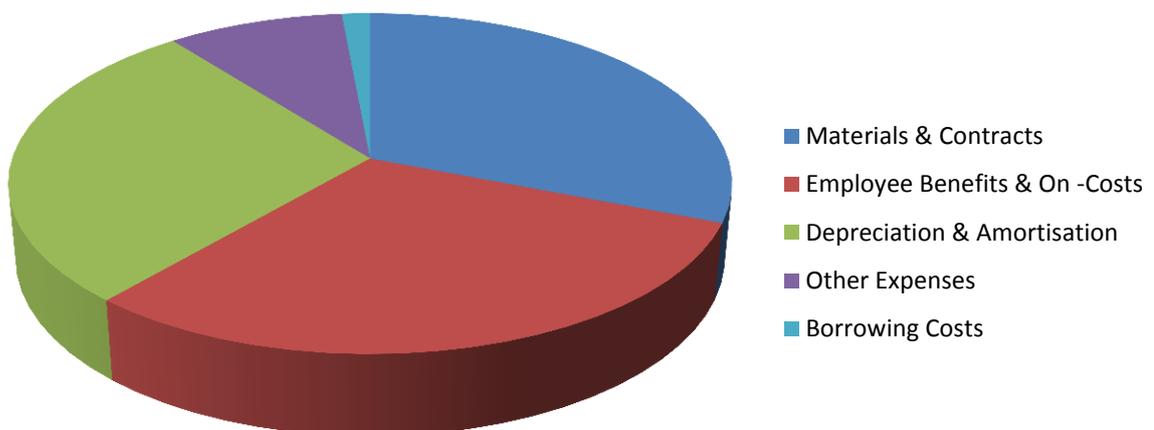


Activity	Revenues \$'000		Expenses \$,000		Operating Result \$,000		Assets Held \$,000
Total - Functions	13,338	19,380	28,841	32,152	(15,503)	(12,772)	559,155
General Purpose Revenues	9,563	7,896			9,563	7,896	
Total	22,901	27,276	28,841	32,152	(5,940)	(4,876)	559,155

Total Income from Continuing Operations



Total Expenditure from Continuing Operations



Statement of Financial Position

Cash and Investments as at 30 June 2014 totalled \$29.165m compared to \$28.893m in 2012/13. Receivables decreased by \$695k due to RMS State Works in relation to contracted work on Waterfall Way.

Infrastructure, property, plant and equipment decreased by \$3.490m. The movement in assets is the result of:

	<u>\$'Millions</u>
Net increase in valuation of water and sewer infrastructure	\$ 0.894
Asset additions during the year	\$ 4.857
Impairment reversal	\$ 0.149
Written down value of assets sold	(\$ 0.269)
Depreciation expense	(\$ 9.032)
Other adjustments	(\$ 0.089)
Net Movement	(\$ 3.490) Million

Working Capital

The Net Current Asset position at year-end of \$29.423m is an important financial indicator as it discloses the working capital available to Council to fund day to day operations and finance infrastructure and new community projects.

However, included in Current Assets are assets of \$11.478m which are “restricted” by regulation or other externally imposed requirements and therefore are not available for anything other than their restricted purpose.

After funding General Fund (\$7.148m), Water (\$14.933m), Sewerage (\$6.756m) and Domestic Waste (\$872k) internal and external restrictions, Council has General Funds of \$2.256m to finance working capital needs. This compares to unrestricted funds of \$2.376m in the previous financial year.

	Water \$'000	Sewer \$'000	Waste \$'000	Gen \$'000	Total \$'000
Current Assets	15,138	6,881	872	12,260	35,151
Current Liabilities	205	125	0	5,398	5,728
Add back ELE	0	0	0	2,542	2,542
Less: Restrictions (External)	4,232	2,548	0	4,698	11,478
Less: Restrictions (Internal)	0	0	271	2,450	2,721
Net Funds	10,701	4,208	601	2,256	17,766

Council has internally restricted \$840k to fund non-current employee leave entitlements, which represents 33% of current leave entitlements, compared to 32% as at 30 June 2013. This funding is considered adequate given that the annual leave component is traditionally provided for in Council’s current year budget.



Financial Indicators

The key indicators disclosed in the Financial Statements are:

RATIO	PURPOSE	2014	2013	2012
Operating Performance Ratio	To assess councils ability to meet operating expenditure within operating revenue	-39.1%	-17.6%	-20.9%
Own Source Operating Revenue	To assess the degree of reliance on external funding sources	71.7%	60.7%	46.0%
Unrestricted Current Ratio	To assess the adequacy of working capital after excluding all restricted assets and liabilities	2.76	2.48	2.13
Debt Service Cover Ratio	To assess the availability of operating cash to service debt including interest, principal and lease payments.	0.01	0.08	0.06
Outstanding Rates %	To assess the impact of uncollected rates and charges on liquidity and the adequacy of recovery efforts	8.1%	9.1%	9.4%
Cash Expense Cover Ratio	To assess the number of months council can pay its expenses without additional cash inflow.	14.27	15.57	8.83

The Operating Performance Ratio - An operating performance deficit of 39.1% compares to a deficit in 2013 of 17.6% and means that Councils operating revenue, excluding capital grants and contributions are insufficient to cover operating expenditure. The ratio of deficit 39.1% compares to the Group 11 Councils average deficit of 3.2% and a NSW State average deficit of 5.0% for 2013. The benchmark for this ratio is to have a deficit of less than 4.0% each year.

The Own Source Operating Revenue Ratio - A ratio of 71.7% for the 2014 year highlights Council's dependence on grants and contributions and compares to a Group 11 average of 55% for 2013 and a State average of 58.6% for 2013. The benchmark is that councils should have an own source operating revenue of greater than 60% over a three year period which council has achieved.

The Unrestricted Current Ratio - excludes all current assets and liabilities that are restricted to specific purposes such as water, sewer, domestic waste management functions and specific purpose unexpended grants & contributions. An unrestricted current ratio of 2.76 indicates that the general purpose function of Council has \$2.76 in current assets available to meet every dollar of current liability. Council's ratio of 2.76 compares to the average of 4.8 for the Group 11 Councils and is lower than the State average of 4.0 for 2013 and is higher than the benchmark of greater than 1.5.

The Debt Service Cover Ratio – this ratio assesses the availability of operating cash to service debt. The ratio of 0.77 is a result of the low operating result before capital income and after the exclusion of interest and depreciation.



The Outstanding Rates and Charges Ratio of 8.10% is lower than in 2013 and is trending downwards. The Group 11 Councils average ratio was 7.4% and the NSW State average was 7.0% for 2013.

The cash expense ratio indicates that Council can pay 14.27 months of its expenses without additional cash inflows and compares to the Group 11 Council average of 6.0 and the State average of 5.4 for 2013.

Special Variations in General Income

Local Government Act 1993 - Section 508(2) and 508A
1 July 2013 to 30 June 2014.

Road Levy

The ordinary rates include a 5.00% Road Levy which was approved by the Minister in 1996/97. The Levy applies to all rateable land within the Shire. The income generated in 2013/14 amounted to \$283,842 and the balance of the internal restriction as at 30 June 2014 was \$nil.

Projects funded in 2012/13 were the Urunga to Hungry Head cycleway \$137,470, Goding Bridge on Godings Road \$28,083, allocation of additional road maintenance funding \$283,842 and an allocation to the Roads to Recovery Program of \$220,227 for Peakes Bridge.

Your Environmental Levy at Work

In July 2005 Council received Ministerial approval for a special variation in general income of 4.0% to introduce an Environmental Levy to help fund environmental projects. The income generated in 2012/13 amounted to \$227,074 and the balance of the internal restriction as at 30 June 2013 was \$256,046.

Projects	Expend 2012/13
Funding program for community groups to undertake environmental projects	19,249
Pedestrian and Mobility Plan (PAMP)	30,000
Bellinger and Kalang River Estuary Action Plan Stage 2	-
Ecosystem Health Monitoring	3,695
Dangar Falls Pathway Upgrade	-
Sustainability Projects	13,801
Coastal Planning	7,770
Rock Fillets	1,075
Improving Stormwater Management	-
Noxious Weeds Action Program	48,000
River and Biodiversity General Community Consultation	4,260
Dangar Falls Vegetation Management (Stage 2)	38,143
Dangar Falls Biodiversity and Management Plan	7,000



Projects		Expend 2012/13
Healthy Rivers Program		1,868
Connect With Your River		19,005
Total		\$193,866

Introduction

Bellingen Shire Council applied to the Minister for Local Government in May 2005 for a special variation to General Income for environmental projects. On the 30th June 2005 Council received notice that an increase of 4% was approved. In 2013-14 this equates to a fund of \$235,000. Council's intention is to apply for external grants on an ongoing basis to match, and therefore maximise the funds, and these have been outlined in this report.

This report is an introduction to each of the projects in sufficient detail for the Environmental Sustainability Advisory Committee (ESAC) to understand. The majority of the projects are the implementation of already adopted Council management plans.

The report does not include all projects the Sustainability and Natural Resources Unit are working on as some do not require a Bellingen Shire Council Environment Levy (BSC EL) contribution. The ESAC will be made aware of these projects by the relevant Officers presenting to the Committee over the 2013/14 financial year.

Pedestrian Access Mobility Plan (PAMP)

The PAMP project will extend the Hungry Head Cycleway south of Pipe Clay Creek Bridge by approximately 450 metres in the 2014/15 financial year. The total project cost for this extension is \$128,950. Council has resolved to allocate \$30,000 per year from the BSC EL to the PAMP.

A total of \$30,000 was allocated for the 2013/2014 financial year.

Community Fund

The BSE EL community fund was made available for community groups working on public land and sustainability projects through a competitive process, to gain additional funds to complete projects. This fund has supported over 15 community groups over recent years. It is recommended that this community funding process continue.

In the 2011/12 financial year the BSC EL community fund application and grant process has undergone significant review in consultation with the former Environmental Advisory Committee (EAC).

A total of \$350,000 was allocated to this program are \$35,000 for the 2013/14 financial year.

Weeds Action Program

Council in alliance with the NSW North Coast Weeds Advisory Committee have applied under the new Weeds Action Program for funds to implement the NSW Invasive Species Plan. In order for Council to maintain current operational staffing, and to implement invasive



plant removal projects to desired levels an allocation to the weeds operational budget was made.

The total project value is \$144,000 per year with the Department of Primary Industries providing \$48,000, Council general funds providing \$48,000 and a contribution from the BSC EL of \$48,000 was made.

A total of \$48,000 was allocated for the 2013/14 financial year.

Dangar Falls Pathway Upgrade

This project was identified within Council's application for the BSC EL in 2004 and therefore improvements to the pathway from the top of the falls to the lower viewing platform within the reserve are long overdue.

In the 2012/13 financial year the existing Dangar Falls Plan of Management (written in 1999) was updated in consultation with the community and endorsed by Council in May 2013. As the Dangar Falls Reserve is owned by the Crown, the draft Dangar Falls Plan of Management will now be presented to Crown Lands for review and approval by the Minister and put on public exhibition for at least 28 days. It will then be presented to Council for endorsement and finally back to Crown Lands to be adopted by the Minister.

Since 2005, the approved budget available to implement actions was:

- \$75,000 for construction of upgrades to the lower falls path and installation of the Labyrinth project;
- \$10,000 – provided from Employment Training Company (ETC) to help construct the Labyrinth.

Preliminary cost estimates to upgrade the path are approximately \$150,000.

Council has applied for project funding sources via external grants to assist in funding the proposed upgrade works however these have been unsuccessful to date.

A total of \$16,000 was allocated for 2013/14 financial year to continue the project.

Dangar Falls Biodiversity Improvement

This project continues the excellent works already undertaken at Dangar Falls Reserve. The minimal investment has resulted in an excellent response from the Antarctic Beech and Port Jackson Pine Groves forest. The project focused on the weed removal and revegetation at the top of the Dangar Falls recreation area.

A total of \$7,000 was allocated for the 2013/14 financial year.

Bellinger & Kalang River Ecosystem Projects

The following list of projects outlined the priority river ecosystem improvement projects to be funded by the BSC EL. This allocation assisted in funding the River and Biodiversity Project Officer role to allow for adequate staffing levels.



It is important to note, Council approved the total allocation of \$86,000 in advance from the BSC EL for the 2013/14 financial year and \$16,000 for the 2014/15 Financial Year to fund the these projects and to allow for the River and Biodiversity Project Officer position to continue for the next 2 years.

Connect with Your River

Council has been successful in securing an Environmental Trust grant of \$100,000 over the next 3 years to deliver the above titled project. The total project value is \$165,628 over 3 years.

Currently in the third year of the project, delivered 8 best practice on-ground riparian zone rehabilitation projects on the Bellinger and Kalang Rivers. This project assisted funding the River and Biodiversity Project Officer position for 2 days per week until 1 July 2013.

A total of \$7,000 was allocated for the 2013/14 financial year.

Rock Fillets for Fish Fillets

Council applied for a NSW Environment Trust grant of \$100,000 for the installation of rock fillet (groynes) and artificial reef structures in the Bellinger River estuary adjacent to Mylestom Drive. The Department of Primary Industries has also committed to providing \$160,000 towards this project and the NSW Recreational Fishing Trust has committed to providing \$40,000 towards this project which will mitigate erosion, protect infrastructure (boat ramps), revegetate along adjacent river banks and provide habitat for mangroves, fish and marine invertebrates. Other grants will provide a contribution of \$11,000 to assist in revegetation works.

The project value is \$350,000 over three years and the environment levy contribution was \$26,000 for the 2013/14 financial year, \$6,000 from the 2014/15 financial year and \$6,000 from the 2015/16 financial year is required. This project assisted in funding the River and Biodiversity Project Officer position for two days per week from 1 July 2013.

A total of \$26,000 was allocated for the 2013/14 financial year.

Bellinger & Kalang Rivers Estuary Action Plan Stage 2 Project

This project completed riparian condition assessments and property-scale Site Action Plans with recommendations for river bank rehabilitation on the Kalang estuary and lower Bellinger estuary. These Site Action Plans can then be used to apply for external grant funding for implementation. The project will also to deliver a series of community capacity building events.

The total project value is \$63,000 over two years. The required BSC contribution was \$31,000 from the BSC EL for the 2013/14 financial year with the other \$32,000 being funded by the NSW Office of Environment and Heritage (Estuary Management Program). This project assisted in funding the River and Biodiversity Project Officer position for two days per week from 1 January 2013.

Bellinger Riverbank Rehabilitation at Fernmount Project

This project implemented riparian weed control and revegetation in the upper Bellinger estuary adjacent to Waterfall Way/Bell Street/Baker Street at Fernmount.



The funds to be allocated to this program are \$12,000 for the 2013/14 financial year.

River & Biodiversity Project Officer General Community Consultation

The River & Biodiversity Project Officer role incorporated river restoration and biodiversity education and engagement workshops as well as providing a service for customer enquiries. The project value is \$10,000 per year for two years allowing for up to four hours per week of Project Officer time.

A total of \$10,000 was allocated for the 2013/14 financial year.

Improving the Water Quality of the Bellinger River Effluent Assessment and Planning Project

This project assisted in the implementation of the findings of the Bellinger River Effluent Assessment and Planning Project. The initial project was completed in 2012 and engaged farmers to develop management plans for their effluent management systems. The project was a partnership with Council, Norco Milk Supply, Bellinger Landcare and the local dairy farmers.

The pilot project trialled innovative erosion control techniques with local dairy farmers to minimise runoff and sedimentation into the Bellinger River. The pilot project was run in partnership with Landcare with a 50:50 funding arrangement with Council and the dairy farmers willing to participate in the pilot program.

A total of \$10,000 was allocated for the 2013/14 financial year.

Administration Expenses

The BSC EL administration expenses budget will be used to pay for the required media and advertisements to promote and inform the community on projects outlined in this document.

A total of \$3,000 was allocated for the 2013/14 financial year.

Summary

Project	Funding
Pedestrian Access Mobility Plan	30,000
Environmental Levy Community Fund	35,000
Weeds Action Program	48,000
Dangar Falls Pathway Upgrade	16,000
Dangar Falls Biodiversity Improvement	7,000
Connect with your River Project	7,000
Rock Fillets for Fish Fillets Project	26,000
Bellinger & Kalang Rivers Estuary Action Plan Stage 2 Project	31,000
Bellinger Riverbank Rehabilitation at Fernmount Project	12,000
River & Biodiversity Project Officer General Community Consultation	10,000
Bellinger River Effluent Assessment and Planning Project	10,000
Administration expenses	3,000
TOTAL	\$235,000



Overseas Visits

Local Government Act 1993 - Section 428 (4) (b)
Local Government (General) Regulation 2005 - Section 217 (1) (a1)
1 July 2013 to 30 June 2014.

There were no overseas visits undertaken by Councillors, Council Staff or other persons representing the Council during the period 1 July 2013 to 30 June 2014.

Elected Members' Expenses

Local Government Act 1993 - Section 428 (4) (b)
Local Government (General) Regulation 2005 - Section 217 (1) (a1)
1 July 2013 to 30 June 2014.

Mayor and Councillor Fees

The total fees paid to the Mayor and Councillors in 2013-14 was \$96,230 compared to \$96,173 in 2012-13.

Councillor Support and Expenses

Expenses	2013 - 2014
Councillor support and provision of facilities	19,252
Attendance at conferences and seminars	17,638
Training of councillors and provision of skill development	0
Interstate visits undertaken during the year by councillors while representing the council, including the cost of transport, the cost of accommodation and other out-of-pocket travelling expenses	0
Overseas visits by councillors while representing the council, including the cost of transport, the cost of accommodation and other out of pocket travelling expenses	0
Expenses of any spouse, partner or other person who accompanied a councillor in the performance of his or her civic functions	0
Expenses involved in the provision of care for a child or an immediate family member of a councillor	0
Fees paid to Mayor and Councillors	96,230
Motor Vehicle Allowances	4,947
Mayoral vehicle operational costs and depreciation	11,758
Insurance costs for Councillors and Officers liability	33,009.63
Total costs for the year	\$182,834.00



Major Contracts (Greater than \$150,000) Awarded

Local Government Act 1993 - Section 428 (4) (b)

Local Government (General) Regulation 2005 - Section 217 (1) (a2)

1 July 2013 to 30 June 2014.

Contract or Tender No.	Title	Estimated Annual Value	Total Contract Value	Suppliers
		\$	\$	
T051415MNC	Bulk Water Treatment Chemicals	76,000	228,000	Orica Chemicals, Omega Chemicals, Redox & Wilair.
T41011MNC	Bitumen Emulsion	100,000	300,000	Downer EDI
T61011MNC	Truck & passenger tyres	68,000	204,000	Bridgestone Australia, Tyres 4U & Valley Tyres
Reverse Auction	Electricity for large sites	80,000	159,000	ERM Power
Reverse Auction	Electricity for street lighting street lighting	12,000	24,000	AGL Power
Reverse Auction	Electricity for small sites -	160,000	320,000	ERM Power
LGP808 - 2	Human Resources & Temporary Placements	656,800	1,970,000	Chandler McLeod, Complete Staff Solutions, JHA Recruitment & Staff, Nortec Staffing Solutions
NPN04 - 13	Trucks, Vans & Omnibuses	96,200	192,400	.UD Trucks Australia P/L
LGP707-2	Heavy Plant & Equipment	150,000	159,000	Komatsu Australia
Direct tender	Provision of External Auditor Services	35,000	210,000	Forsyths
1610/0106	Supply & Delivery of Bulk Fuels	390,000	910,000	Caltex Australia



Legal Proceedings

Local Government Act 1993 - Section 428 (4) (b)

Local Government (General) Regulation 2005 - Section 217 (1) (a3)

1 July 2013 to 30 June 2014

Matter	Issue	Status/Result	Expenses	Received
Bellingen Shire Council ats David Supple	Personal Injury Public Liability	Council joint defendant with RMS Pending	\$12,500	Nil

Works Subsidised On Private Land

Local Government Act 1993 - Section 428 (4) (b)

Local Government Act 1993 - Section 67 (3)

Local Government (General) Regulation 2005 - Section 217 (1) (a4)

1 July 2013 to 30 June 2014.

\$22,500 Estuary Action Plan Stage 2 - Site Action Plans developed for three private properties on the Kalang River. Site Action Plans include a description of the current condition of the river bank and riparian zone and recommended actions and costing's for rehabilitation over three years. Site Action Plans can be used to apply for external funding to implement rehabilitation actions.

\$14,875 The Jaliigirr Project – 320 native plants planted for revegetation, 2.3ha weed control and 2ha riparian vegetation protected by stock fencing.

\$1,000 Our Living Coast Project – maintenance of weed control and revegetation 0.15ha.

The Environmental Levy Community Fund 2013/14 project allocated \$5,000 to the installation of a composting toilet on private land at Northbank Community Garden, Northbank Rd, and Bellingen.

\$1,250.00 Repairs to Federal Hotel and IGA car park in July 2014.



Donations and Contributions

Local Government Act 1993 - Section 428 (4) (b)

Local Government (General) Regulation 2005 - Section 217 (1) (a5)

Local Government Act 1993 – Section 356

1 July 2013 to 30 June 2014.

Community Support and Community Event Sponsorship Funds

Council's commitments with respect to Donations and Contributions are detailed as follows:

Community Event Sponsorship Fund – Round 1

Organisation	Event	Contribution
Local M.A.D.E	Rise Up; Out of the Blue; Electric Jungle music events	\$2,000
Arts Council of Dorrigo	Dorrigo Folk and Bluegrass Festival	\$2,000
Kalang Progress Association	Celebrating Kalang	\$1,500
Bellingin River Festival Inc.	Bellingin River Festival	\$5,000
Bellingin Jazz Festival	Bellingin Jazz Festival	\$2,000
Camp Creative Inc.	Bellingin Music Festival	\$500
TOTAL		\$13,000

Community Support Fund – Round 1

Organisation	Activity	Contribution
Urunga Sail Training Club	New instructor training course and development	\$1,500
Australian Red Cross	Raffles	\$100
Dorrigo Youth Clinic	Beautification project	\$800
Dorrigo Plateau Community Inc.	Community Directory	\$600
Arts Council of Dorrigo	Creative Mountain Arts Exhibition	\$1,000
Dorrigo Visual Arts Group	Dorrigo Agricultural Show – Fine Arts Display	\$850
Bellingin Big Band	Practice and Performance activities	\$500
Arts Mid North Coast	To support arts activities across the region as per our contractual agreement	\$4,636
Southern Cross University	Bellingin Scholarship	\$2,500
TOTAL		\$12,486

Community Event Sponsorship Fund – Round 2

Organisation	Event	Contribution
Bellingin Readers & Writers Festival	2 Days 2 Inspire	\$2,000



Organisation	Event	Contribution
Bellingen Agricultural Society Ltd	E J Mantova Memorial Art Prize	\$1,500
The Grub Club	Sergeant Matthew Locke MG Charity Event	\$2,500
TOTAL		\$6,000

Community Support Fund – Round 2

Organisation	Activity	Contribution
1 st Bellingen Scout Group	Rates Remission	\$800
Bellingen CWA	Rates Remission	\$1,000
Bellingen High School	Scholarship Program	\$1,000
Bellingen Men's Shed	Men's Shed construction	\$1,500
Bellingen Youth Orchestra	Musical Instruments	\$2,000
Bellinger Community Communications Co-op Ltd	Rates Remission	\$1,500
Bellinger River District Pipe Band	PA System	\$1,000
Bellinger River Sailing Club Inc.	Rates Remission	\$800
Camp Creative	Summer Camp Scholarships	\$615
Dorrigo CWA	Rates Remission	\$1,000
Dorrigo Dramatic Club	Rates Remission	\$1,500
Dorrigo High School P&C	Installation of football goal posts	\$1,000
Dorrigo Preschool	Rates Remission	\$1,000
Girl Guides	Rates Remission	\$1,000
Gleniffer Community Assoc. Inc.	Rates Remission	\$725
Mylestom Pensioners Association	Annual hall hire costs	\$650
Urunga CWA	Rates Remission	\$1,000
TOTAL		\$18,090

The total actual amount contributed or otherwise granted by Council under Section 356 of the Act was \$43,122.68. The difference between the total of the individual commitment amounts and the total actual amount arises from timing differences (donations not taken up in the financial year they were awarded).



Functions Delegated by Council

Local Government Act 1993 - Section 428 (4) (b)

Local Government (General) Regulation 2005 - Section 217 (1) (a6)

1 July 2013 to 30 June 2014.

External bodies that exercised functions delegated by Council during the period were:

Body	Function
EXTERNAL BODIES	
Clarence Regional Library Committee	Library Service
NSW Rural Fire Service	Rural Fire Services
COMMUNITY COMMITTEES (SECTION 355 NSW LGA 1993)	
Australia Day Committee	Australia Day Activities
Bellingen Citizens Centre Management Committee	Care, Control and Management of the Centre
Bellingen Island Reserve Management Committee	Care, Control and Management of the Reserve
Bellingen Memorial Hall Committee	Care, Control and Management of the Hall
Bellingen Shire Visitor Information Centre	Care, Control & Management of the Centre
Bellingen Youth Development Centre	Care, Control & Management of the Bellingen Shire Youth Hub
Bellingen/Connell Park Management Committee	Care, Control & Management of the Parks
Bellinger Valley Historical Society Committee	Care, Control & Management of the Bellingen and Urunga Museums
Brierfield Hall Management Committee	Care, Control and Management of the Hall
Burdett Park Management Committee	Care, Control and Management of the Park
Deervale Hall & Recreation Reserve Management Committee	Care, Control and Management of the Hall & Reserve
Dorrigo Public Hall Management Committee	Care, Control and Management of the Centre
Dorrigo Recreation Grounds Management Committee	Care, Control and Management of the Reserve
Dorrigo Saleyards Management Committee	Care, Control and Management of the Saleyards
Hickory House and Neighbourhood Bus Committee	Care, Control and Management of the Centre
Megan Hall and Recreation Reserve Management Committee	Care, Control and Management of the Hall and Reserve
Mylestom Hall Management Committee	Care, Control and Management of the Hall
North Bellingen Children's Centre Committee	Care, Control and Management of the Centre
North Dorrigo Recreation Reserve Management Committee	Care, Control and Management of the Reserve
Raleigh Hall & Recreation Reserve Management Committee	Care, Control and Management of the Hall & Reserve



Body	Function
Thora Community Hall Management Committee	Care, Control and Management of the Hall
Urunga Literary Institute & Senior Citizens Centre Management Committee	Care, Control and Management of the Centre and the Literary Institute Hall
Urunga Recreation Reserve Management Committee	Care, Control and Management of the Reserve

Corporations, Partnerships, Joint Ventures or Other Bodies in which Council(s) Held a Controlling Interest

Local Government Act 1993 - Section 428 (4) (b)

Local Government (General) Regulation 2005 - Section 217 (1) (a7)

1 July 2013 to 30 June 2014.

Southern Phone Company Limited

Council is a shareholder in the company, a local government-owned telecommunications provider. There are 41 councils that hold two shares each in the unlisted Public Company, purchased for \$1 each. The company is a national full-service telecommunications provider offering fixed line, mobile and internet services to customers in all states of Australia.

In November 2002 Council resolved to make application to the Southern Phone Company for two shares at \$1 each, being one A Class share and one share in the B to ZZ class. Council's liability is limited to the value of its shares. Should the venture fail there can be no call on shareholders for funds.

Arts Mid North Coast

Arts Mid North Coast is a regional non-profit, incorporated organisation and is the peak body for Arts and Cultural Development across the Mid North Coast region. Arts Mid North Coast works within the following seven Local Government Areas: Great Lakes, Greater Taree, Port Macquarie-Hastings, Kempsey, Nambucca, Bellingen and Coffs Harbour.

The organisation has been in existence for over ten years and is part of a state network of 13 Regional Arts Boards that provide the framework for Arts and Cultural Development across regional and rural NSW. Each Council contributes financially to the running of the organisation, and has a representative member on the Board.

The Executive Officer works across all seven Local Government Areas, and aims to engage with all relevant sectors of the regional community to promote, facilitate and advocate for excellence in arts and cultural development across the Mid North Coast region, by assisting with grant applications, project plans, implementation and support to Cultural Development in the areas through strengthening local cultural groups.

Mid North Weight of Loads Group

Council is a member of the group of Councils which enforces vehicle weight limits to reduce damage to council classified roads and thereby decreasing road maintenance costs.



Regional Procurement Initiative

Council is a participating member with other Councils in the Regional Procurement Initiative. Regional Procurement Initiative, a division of Hunter Councils Inc. was established in response to a need for a collaborative approach to regional tendering and contracting. It is the purpose of the Regional Procurement Initiative to reduce the administrative impost on member councils caused by their respective annual or bi-annual tender processes. It is estimated the Regional Procurement Initiative members contribute upwards of 200 million dollars to the economy through their tenders and contracts.

Statewide Mutual Limited

Statewide Mutual is a NSW Local Government mutual which commenced operation on 31 December 1993 with a membership of 96 Councils. It provides cover to Member Councils on:

1. Assets under a Property Mutual,
2. Liability under a Mutual Liability Scheme, and
3. Fidelity Guarantee.

The Scheme is not insurance. Rather it is a “self-insurance mutual” which is backed by reinsurance placed through the local and London markets.

As at 2011, membership consists of 134 General purpose Councils and 17 County Councils & associated entities.

StateCover

StateCover Mutual Limited has been operating since 2001 as a Specialised Workers Compensation insurer of NSW Local Government organisations. As at June 2014 StateCover insured 90% of eligible Councils with a combined workforce of approximately 30,000.

StateCover is a not for profit organisation providing Workers Compensation and Work Health and Safety services to its insured members.

Coffs Coast Regional Waste Services

In July 2004 Council resolved to participate in the Coffs Coast Regional Resource Recovery Scheme with Coffs Harbour City Council and Nambucca Shire Council.

The project involves the full recovery and treatment of waste from the three Council areas including collection, recycling and disposal. Putrescible waste from the region is collected and processed at a waste processing facility at Englands Road, Coffs Harbour. The strategy, although maintaining each Council as a separate entity, enables a consistent, sustainable and economical approach to waste management in the area.

In accordance with the signed agreement Coffs Harbour City Council administers the contract on behalf of the Councils.

Mid North Coast Strategic Alliance (MIDROC)

Council is a member of the Mid North Coast Strategic Alliance and has continued to actively



participate in the strategic alliance with Great Lakes, Taree, Gloucester, Kempsey, Nambucca, Bellingen and Coffs Harbour Councils, which was formed with the objective of achieving cost savings and/or improved service delivery of identified functions, within the participating organisations. There are a number of groups actively working together to achieve both direct and indirect benefits. These benefits range from the sharing of information, networking shared tenders and benchmarking.

Corporations, Partnerships, Joint Ventures or Other Bodies in Which the Council Participated

Local Government Act 1993 - Section 428 (4) (b)

Local Government (General) Regulation 2005 - Section 217 (1) (a8)

1 July 2013 to 30 June 2014.

Council did not participate in any corporations, partnerships, joint ventures or other bodies other than the ones listed above.

Information Relating to Workforce Management Plan

Overview

Council's Workforce Management Plan 2012 – 2016 has continued to provide the basis for employee-related activities over the reporting period. The Workforce Management Plan contains strategies designed to attract, develop and retain a workforce that is capable of meeting the aspirations and goals of our community and keep pace with changing expectations. Key priorities for Council's human resources and organisational development activities are driven by this plan.

In addition, Council continued to implement recommendations arising from the organisational review which were endorsed by Council in June 2012 and this has also influenced many of the priority actions related to our workforce. Progress in this regard has been reported quarterly to the elected Council.

Further, ongoing issues related to the NSW Local Government Independent Review, legislative changes and other external and internal influences have necessitated continued assessment of Council's needs and options relating to resource levels and alignment of functions to ensure that outcomes, service levels, and regulatory obligations are fulfilled. These assessments also form part of Council's commitment to maintain and/or improve our productivity and efficiency levels. In relation to this, during the reporting period independent external reviews were completed on three Council functions: Planning, Regulated Services and Ranger Services. Internal reviews were also undertaken on Council's Weed Services, Bellingen Pool and Roads Maintenance and Bridges. Outcomes of these reviews have been, or are in the process of being, implemented.



Staff Employment Statistics as at end June 2014

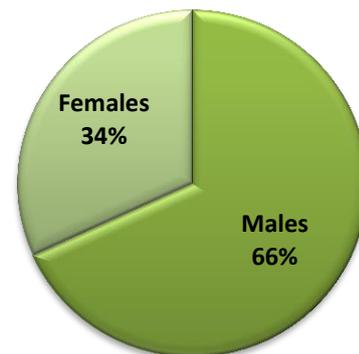
Headcount

Council has 148 approved positions in the organisational structure as at 30 June, 2014.

Gender	Full Time	Part Time	Casual*	Day Labour**	Total
Female	24	18	5	0	47
Male	88	2	3	7.5	100.5
Total	112	20	8	7.5	147.5
Full time equivalent (FTE) for the above headcount: 135					
Staff on fixed term contracts included in above numbers: 1					
* Casuals utilised by Council on the last business day prior to 30 June, 2014					
** Day labour (engaged through 3 rd party providers) utilised by Council on the last business day prior to 30 June, 2014					

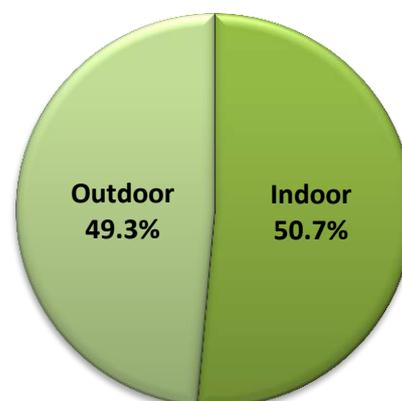
Gender balance

As at the reporting date, Council employed 47 females and 93 males. These figures include casuals but exclude day labour.



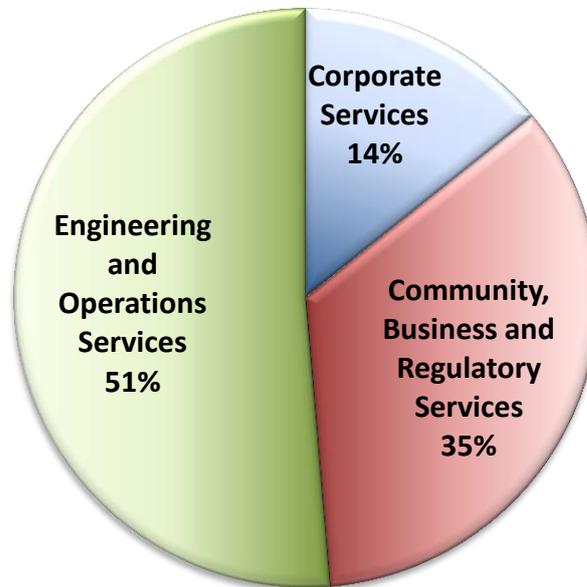
Analysis of indoor and outdoor staff numbers

As at the reporting date, there were 71 (50.7%) indoor staff and 69 (49.3%) outdoor staff. These figures include casuals but exclude day labour. Indoor staff are employed on a 35 hour week and outdoor staff are employed on a 38 hour week under the Local Government (State) Award, 2014.



Functional distribution of positions

86% of positions are directly involved in providing services or support to our community including:

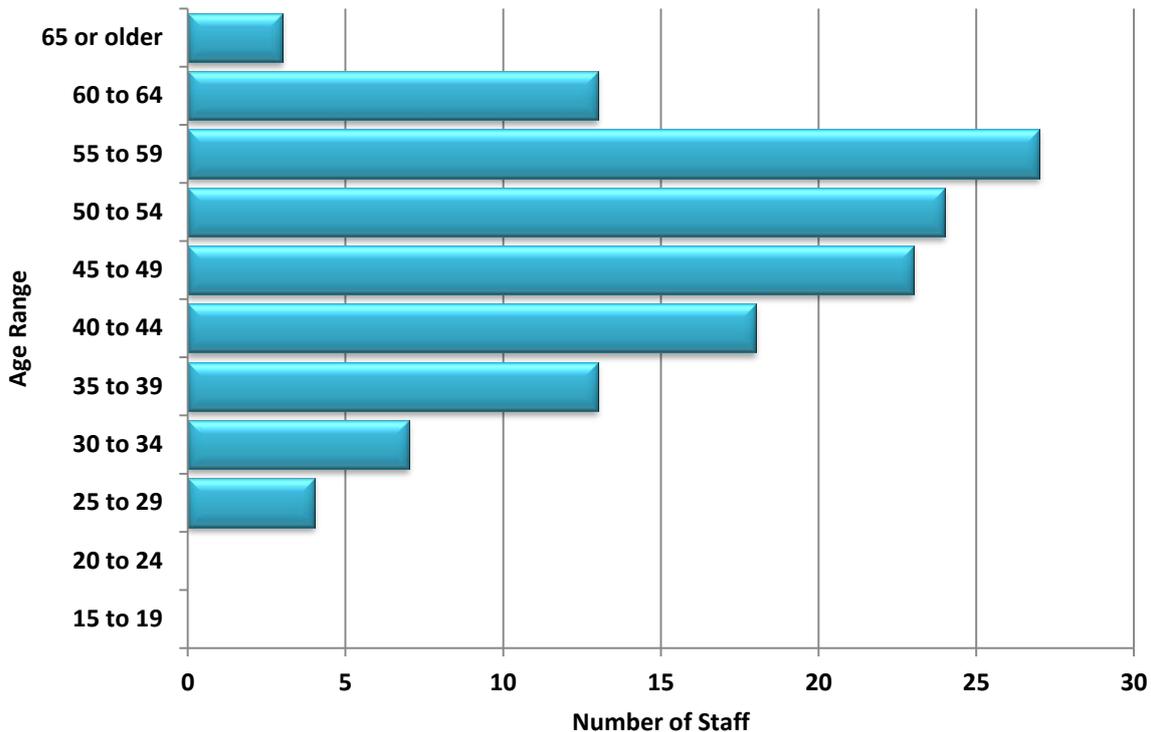


- Water and sewer services
- Building and maintenance of roads, bridges and culverts
- Town and open space maintenance
- Aged and disability support
- Library staff
- Youth Centre management
- Visitor Information Services
- Engineers and Planners
- Health and Building Surveyors
- Waste Management
- Front office customer service staff

Corporate functions (14%) are primarily related to fulfilling Council's regulatory and legislative requirements such as the management and reporting of Council's finances, payment of creditors, collection of rates, technical and records management services, corporate governance, procurement, human resources and workplace health and safety.



Age Distribution – Full Time & Part Time Employees Only



Across the board, Local Government has a high number of mature age workers compared to the national average for industries. The unprecedented shift in age distribution of the Australian population and the demographic profile of the Mid North Coast Region provides particular challenges for Council with regard to employee health and wellbeing and labour supply.

A number of initiatives have been implemented to assist the organisation deal with the challenges of an ageing workforce. These include extending the variety of flexible working arrangements available to staff, developing retirement transition plans, reviewing work/task design to minimise injury/strain risks and maintaining staff health management programs.

In addition, Council's Equity and Diversity Plan for 2014-18, which has been developed with reference to current and forecast demographics as well as the business needs of Council, proposes a focus on strategies to increase the employment of youth. These strategies include the expansion of our trainee and student work experience programs and strengthening our partnership with the Bellingen Business Alliance and local high schools to promote careers in Local Government.

Recruitment & Selection

During the year, 22 positions were advertised with 19 filled, or in the final stages of recruitment, as at 30 June, 2014. A total of 301 applications were processed during the reporting period.

The top 3 sources of applicants for vacant positions continue to be:



1. SEEK
2. Bellingen Shire Council Careers site and job alerts
3. LG Jobs

Managing the bulk of Council's recruitment efforts in-house and the introduction of improved, more streamlined recruitment processes has led to ongoing cost savings and the recruitment budget for 2014/15 being reduced by \$40,000.

The introduction of enhancements has also continued to have a positive impact on Council's average "time to hire" (i.e. from application closing date to job offer) as follows:

Financial Year	2010/11	2011/12	2012/13*	2013/14
Time to Hire (weeks)	8	7	6.2	5.5

*Figures exclude recruitment to vacancies subject to extraordinary circumstances and requirements e.g., the recruitment to the two Deputy general Manager positions.

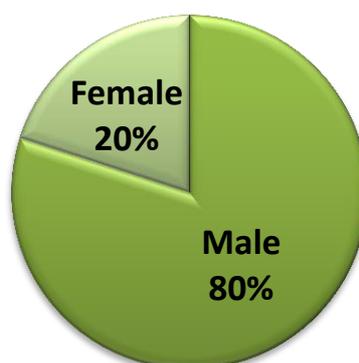
Staff Turnover

Council reports voluntary turnover rate in line with the definitions contained within the Local Government NSW Annual Human Resources Metrics Benchmarking Survey.

Financial Year	2011/12	2012/13	2013/14	
Number of voluntary separations	11 8.3% of headcount	10 10% of headcount	4 3% of headcount	Separations exclude casual and day labour hire, contracts reaching the end of their term, and agreed exits
Number of retirements	2 1.5% of headcount	3 2% of headcount	1 0.7% of headcount	Retirements exclude all types of phased retirement (flexible work and leave arrangements)

Headcount in the above analysis is defined as permanent employees (both full time and part time) and those staff on fixed term contracts.

Turnover by Gender



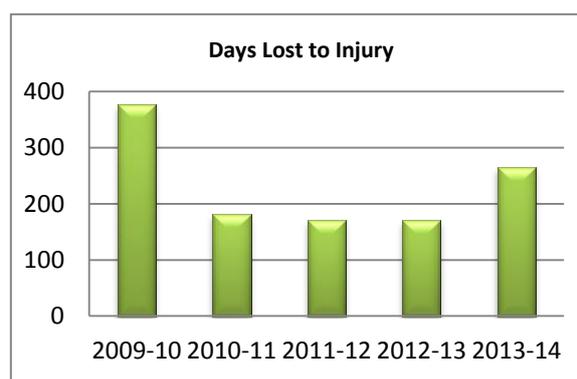
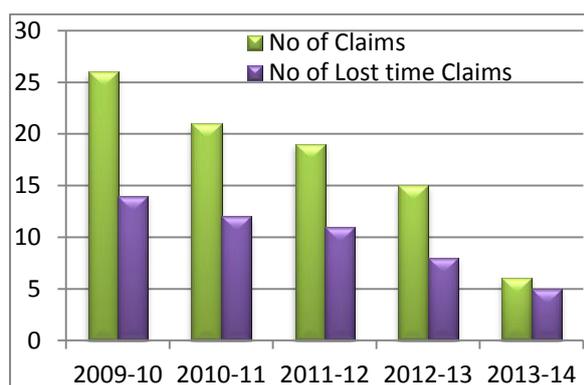
The main drivers for staff exits, unrelated to retirements or ill-health, continue to be:

- Career opportunity
- Uncompetitive salary
- Personal reasons

Workplace Health and Safety

The number of workers compensation claims for the year and time lost to injury is outlined below along with comparative data for the previous four years. The positive trend in days lost to injury from the previous report has been impacted by one significant claim during 2013/14.

	2009-10	2010-11	2011-12	2012-13	2013-14
Number of Workers Compensation Claims	26	21	19	15	6
Number of claims resulting in "days lost"	14	12	11	8	5
Days lost to injury	377	181	170	170	265



Over the past two years, Council has implemented a Workers Compensation Improvement Plan in partnership with our insurer to lessen the number and impact of lost time incidents. The program incorporated a number of initiatives including training of supervisors in return to work coordination, the development of information packs on our return to work process and distribution of these packs to local treating doctors, the creation of a suitable duties register to enable early return to work, improved management of safety breaches, executive oversight of incident data, and a comprehensive manual handling training program.

At commencement, the Workers Compensation Improvement Plan had four key goals. To date, the following outcomes have been achieved:

Improvement Goal	Achievement
30% reduction in claim frequency by 2014/15	69% reduction
30% reduction in incident rate of all claims resulting in one or more week(s) off work	45% reduction
40% reduction in net claims by 2014/15	51% reduction
30% reduction in incident rate of claims related to manual handling	85% reduction



As a result of the above improvements Council anticipates a significant decrease of approximately \$100,000 in the organisation's workers compensation premium for 2014/15.

Implementation of Equal Employment Opportunity Management Plan

Local Government Act 1993 – Section 428 (4) (b), Section 345

Local Government Act (General) Regulation 2005 – Section 217 (1) (a9)

01 July 2013 to 30 June 2014

Under Section 345 of the Local Government Act 1993 Council must have a plan:

- (a) to eliminate and ensure the absence of discrimination in employment on the grounds of race, sex, marital or domestic status and disability in councils, and*
- (b) to promote equal employment opportunity for women, members of racial minorities and persons with disabilities in councils.*

To meet this requirement Council has in place a Workplace Equity and Diversity Plan that covers a 4 year time period.

Activities undertaken this year in support of the plan include:

- Maintaining relationships with various employment support services who specialise in recruitment and training strategies for indigenous people and those with varying abilities resulting in:
 - hosted employment of a library trainee for a young Aboriginal person during 2013
 - hosted employment for two individuals with varying abilities
- Developing a specific program to support Council's participation in 50:50 Vision – Councils for Gender Equity Program
- Outsourcing document disposal to New Horizons Enterprises Limited, a business staffed by people with disabilities
- Continuing a work experience program for local youth as part of a transition to work program
- Continuing inclusion of Council's Equal Employment Policy, responding to Workplace Bullying and Harassment Guidelines and Grievance Handling Procedures in Council's employee induction program
- Ensuring selection panels include trained interviewers and EEO principles are monitored and maintained
- Selected staff attending training and forums focussed on the provision of non-discriminatory services
- Accommodating a variety of requests for flexible work arrangements based on individual employee circumstances



Council has drafted a Workplace Equity and Diversity Plan for 2014 to 2018 based on a review of the Shire demographics and Council's business needs. This has identified the following target groups for increased representation in Council's workforce:
Women, in particular being employed in non-traditional roles

- Aboriginal people
- Under twenty four year olds

The proposed Plan, which is to be considered by Council, outlines specific actions related to each of these target groups to assist in working towards a Council workforce composition that is reflective of our community.

General Manager and Senior Staff Remuneration

Local Government Act 1993 - Section 428 (4) (b)
Local Government (General) Regulation 2005 - Section 217 (1) (b) and (c)
1 July 2013 to 30 June 2014.

Senior Staff Salaries

There are three positions within Council designated as Senior Staff as at 30 June 2014. These include the General Manager, Deputy General Manager, Operations and Deputy General Manager, Corporate and Community. The total remuneration package of \$210,000 payable to the General Manager included salary, provision of a Council owned motor vehicle and superannuation costs. The combined total remuneration package cost of \$344,167 payable to the two Deputy General Managers included salary and the provision of a Council owned motor vehicle under leaseback arrangement.

Stormwater Management Services

Local Government Act 1993 - Section 428 (4) (b)
Local Government (General) Regulation 2005 - Section 217 (1) (e)
1 July 2013 to 30 June 2014.

Council did not levy a stormwater management levy during the reporting year.

Coastal Protection Services

Local Government Act 1993 - Section 428 (4) (b)
Local Government (General) Regulation 2005 - Section 217 (1) (e1)
1 July 2013 to 30 June 2014.

Council did not levy an annual coastal protection charge during the reporting year.



Companion Animals Act - Compliance

Local Government Act 1993 - Section 428 (4) (b)

Companion Animals Act 1998

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

1 July 2013 to 30 June 2014.

One hundred and thirty two (132) Companion Animals were transferred to Council's animal shelter during 2013/14 comprising 113 dogs and 19 cats compared to 82 and seven, respectively, the previous year.

Within the Shire there are 5194 Companion Animals identified (microchipped) on the Companion Animals registry, comprising of 4,328 dogs and 866 cats. Only 3,274 are lifetime registered leaving 1,930 unregistered animals.

In the 2013/14 financial year Council undertook a pro-active audit of the register and commenced a program to reduce the number of unregistered animals. The audit and associated program resulted in a substantial increase on the total registration figures with 422 Companion Animals registered in 2013/14 compared to 150 in 2012/13, 159 in 2011/12 and 267 in 2010/11.

Companion Animal Management Funding

Registration commissions	\$12,430
Impounding fees, charges & fines	\$32,320
Total Income	\$ 44,750

Particulars of Any Environmental Upgrade Agreement Entered Into

Local Government Act 1993 - Section 406

Local Government Act 1993 - Section 54P (1)

1 July 2013 to 30 June 2014.

Council has not entered into any arrangements during the period 1 July 2013 to 30 June 2014.

Report on Capital Works Projects

Local Government Act 1993 – Section 23A

Division of Local Government Capital Expenditure Guidelines 2010

Councils capital projects for infrastructure facilities, including renovations and extensions have not exceeded 10% of Councils annual rate revenue during the period 1 July 2013 to 30 June 2014.



Rates and Charges Written Off

Local Government Act 1993 - Section 428 (4) (b)
Local Government (General) Regulation 2005 - Clause 132
1 July 2013 to 30 June 2014.

The total value of rates and charges written off for the year 2013 /2014 was \$551,126.01 as follows:

Rates & Charges Written Off		2013/2014	2012/2013
		\$	\$
PENSION REBATES			
General Rates-Residential	A100	218,147.73	224,219.10
General Rates-Farmland	A101	12,807.47	
General Rates-Business	A102	750.00	
Water Annual Charges	A110	73,292.58	70,602.40
Water Usage Charges	A115	23,427.03	
Sewer Annual Charges	A120	74,025.57	72,439.76
DWM Charges	A130	117,850.29	112,616.05
		520,300.67	479,877.31
RATES-Residential			
RATES-Residential	A100	17,250.17	2005.87
RATES-Business	A102	-	
DWM	A130	-	
Non DWM	A135	2,519.90	754.88
WATER-ANNUAL CHARGES			
WATER-ANNUAL CHARGES	A110	258.00	127.00
WATER-USAGE CHARGES			
WATER-USAGE CHARGES	A115	4,927.95	15,018.93
SEWER-ANNUAL CHARGES			
SEWER-ANNUAL CHARGES	A120	1,402.00	609.00
SEWER-USAGE CHARGES			
SEWER-USAGE CHARGES	A123		449.15
LIQUID TRADE WASTE ANNUAL CHARGES			
LIQUID TRADE WASTE ANNUAL CHARGES	A145	191.65	
LIQUID TRADE WASTE USAGE CHARGES			
LIQUID TRADE WASTE USAGE CHARGES	A146	3,346.32	1,735.92
INTEREST-RATES			
INTEREST-RATES	A150	450.03	514.62
INTEREST-WATER			
INTEREST-WATER	A156	218.82	697.79
LEGAL FEES/COSTS			
LEGAL FEES/COSTS	A155	260.50	1,275.51
		30,825.34	23,188.67
		551,126.01	503,065.98

Planning Agreements

Environmental Planning and Assessment Act 1979 - Section 93G (5)
1 July 2013 to 30 June 2014.

Council did not enter into any planning agreements during 2013/14.



Public's Right to Access Government Information

Government Information (Public Access) Act 2009 – Section 125

1 July 2013 to 30 June 2014.

The Government Information (Public Access) Act 2009 (GIPA Act) came into effect on 1 July 2010 and replaced the Freedom of Information Act (FOI) and Section 12 of the NSW Local Government Act 1993.

The aim of the GIPA Act is to provide an open, accountable, fair and effective government. This means that all government agencies in NSW are required to make more information freely available and more processes and documents of Government will be available following an application process.

In 2013 /14 fourteen (14) formal applications for access to information were determined compared to five (5) formal applications in 2012/13.

Review of Proactive Release Program - Clause 7(a)

Under section 7 of the GIPA Act, agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months.

Council's program for the proactive release of information involves updating Council's Agency Information Guide and Privacy Management Procedures and Plan to ensure that staff are provided with clear guidance as to what information should and should not be proactively released.

Number of Access Applications Received - Clause 7(b)

During the reporting period, our agency received a total of 14 formal access applications (including withdrawn applications but not invalid applications).

Number of Refused applications for Schedule 1 Information - Clause 7(c)

During the reporting period, our agency refused a total of five formal access applications (one refused to deal, two refused in full and two deemed refusals).



Statistical information about access applications - Clause 7(d) and Schedule 2

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	1	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	1
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	2	0	0	0	0	0	0	2
Members of the public (other)	1	1	2	0	0	3	0	1

* 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 applications by type of application and outcome								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	0	1	0	0	0	0	0
Access applications (other than personal information applications)	1	1	0	0	0	3	0	2
Access applications that are partly personal information applications 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	2
Law enforcement and security	1
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	
	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	13
Decided after 35 days (by agreement with	0
Not decided within time (deemed refusal)	2
Total	14

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)			
	Decision varied	Decision upheld	Total
Internal review	0	1	1
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	1	1

* 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 review
Applications by access applicants	1
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Code of Conduct Reporting

Local Government Act 1993 – Section 440

Local Government (General) Regulation 2005 Clause 193

Procedures for the Administration of the Model Code of Conduct for Local Councils in NSW

1 July 2013 to 30 June 2014

Number of Complaints and Associated Costs Model Code Procedures Reference: 12.1	
1 a) The total number of code of conduct complaints made about councillors and the general manager under the code of conduct	0
b) The number of code of conduct complaints referred to a conduct reviewer	0



Number of Complaints and Associated Costs**Model Code Procedures Reference: 12.1**

c)	The number of code of conduct complaints investigated by a conduct reviewer	0
d)	The number of code of conduct complaints investigated by a conduct review committee	0
e)	The total cost of dealing with code of conduct complaints made about councillors and the general manager including staff costs	\$0

Preliminary Assessment Statistics**Model Code Procedures Reference: 6.10**

2 a)	The number of code of conduct complaints finalised by a conduct reviewer at the preliminary assessment stage	0
b)	The number of those complaints finalised by any of the following recommendations:	n/a
	To take no action	n/a
	To resolve the complaint by alternative and appropriate strategies	n/a
	To refer the matter back to the general manager or the Mayor, for resolution by alternative and appropriate strategies"	n/a
	To refer the matter to another agency or body such as, but not limited to, the ICAC, the NSW Ombudsman, the Division or the Police	n/a
	To investigate the matter	n/a
	To recommend that the complaints coordinator convene a conduct review committee to investigate the matter	n/a

Final Investigation Statistics**Model Code Procedures Reference: 8.35**

3 a)	The number of code of conduct complaints investigated by a conduct reviewer or conduct review committee	0
b)	The number of these complaints finalised by any of the following recommendations:	0
	That the council revise any of its policies or procedures	0
	That the subject person undertake any training or other education relevant to the conduct giving rise to the breach	0
	That the subject person be counselled for their conduct	0
	That the subject person apologise to any person or organisation affected by the breach	0
	That findings of inappropriate conduct be made public	0
	In the case of a breach by the general manager, that action be taken under the general manager's contract for the breach	0
	In the case of a breach by a councillor, that the councillor be formally censured for the breach under section 440G of the Act	0
	In the case of a breach by a councillor, that the matter be referred to the Division for further action	0



Complaints Reviewed by the Division
Model Code Procedures Reference: Part 9

4	Number of matters reviewed by the Division	0
	a) Outcome: Decision sustained	n/a
	g) Outcome: Decision overturned	n/a

Public Interest Disclosures Reporting

Public Interest Disclosures Act 1994 – Section 31

Public Interest Disclosures Regulation 2011 Clause 4

Council Policy – Public Interest Disclosures - Internal Reporting Policy

Organisations are required under the Public Interest Disclosures Act 1994 (PID Act) to collect and report on information about public interest disclosures (PIDs).

The Public Interest Disclosures Regulation 2011 outlines what information public authorities are to record and include in both the six month report to the NSW Ombudsman and the public authority's annual report:

Statistical information on PIDs	1 Jan 2013 – 31 Dec 2013	1 Jan 2014 – 30 June 2014	1 July 2013 – 30 June 2014
Number of public officials who made PIDs	0	3	3
Number of PIDs received	0	3	3
Of PIDs received, number primarily about:	0		
Corrupt conduct	0	3	3
Maladministration	0	0	0
Serious and substantial waste	0	0	0
Government information contravention	0	0	0
Local government pecuniary interest contravention	0	0	0
Number of PIDs finalised	0	3	3

Note: The number of PIDs finalised only refers to PIDs that have been received since the commencement of the relevant period.



Commentary on PID Obligations

Council has established an internal reporting policy. The policy was adopted by Council on 28 September 2011 and is available on Council's IT network.

Council's General Manager has taken action to make staff aware of their obligations through provision of relevant information on Council's Intranet, both as a reminder on the "News" section and as a static page containing:

- a policy extract,
- a link to Council's internal reporting policy,
- a link to Council's Public Interest Disclosures Guidelines and Procedures, and
- a link to the NSW Ombudsman's PID e-News

Posters encouraging internal reporting and hardcopies of Council's Public Interest Disclosures Guidelines and Procedures have also been placed at all of Council's principal work locations.



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Bellingen Shire COUNCIL



Section 3 – Financial Statements



Bellingen Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Bellingen Shire - Naturally Magic



Bellingen Shire Council

General Purpose Financial Statements

for the financial year ended 30 June 2014

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Overview

(i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for Bellingen Shire Council.

(ii) Bellingen Shire Council is a body politic of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.

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

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

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

(iii) All figures presented in these financial statements are presented in Australian Currency.

(iv) These financial statements were authorised for issue by the Council on 14 November 2014. Council has the power to amend and reissue these financial statements.

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments across NSW are required to present a set of audited financial statements to their Council & Community.

What you will find in the Statements

The financial statements set out the financial performance, financial position & cash flows of Council for the financial year ended 30 June 2014.

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate 5 "primary" financial statements:

1. The Income Statement

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

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its Assets, Liabilities & "Net Wealth".

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

Indicates where Council's cash came from and where it was spent.

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

About the Notes to the Financial Statements

The Notes to the financial statements provide greater detail and additional information on the 5 primary financial statements.

About the Auditor's Reports

Council's financial statements are required to be audited by external accountants (that generally specialize in Local Government).

In NSW, the Auditor provides 2 audit reports:

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

Who uses the Financial Statements ?

The financial statements are publicly available documents & must be presented at a Council meeting between 7 days & 5 weeks after the date of the Audit Report.

Submissions from the public can be made to Council up to 7 days subsequent to the public presentation of the financial statements.

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

Bellingen Shire Council

General Purpose Financial Statements for the financial year ended 30 June 2014

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

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

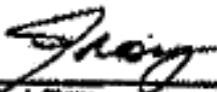
- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these Financial Statements:

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

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

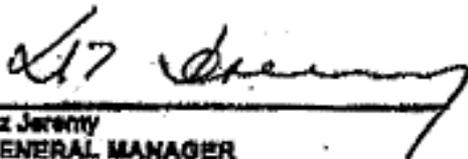
Signed in accordance with a resolution of Council made on 31 October 2014.



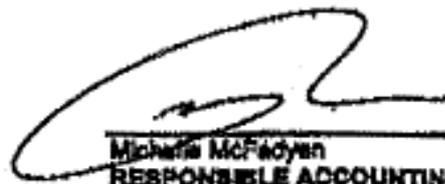
Mark Tivy
MAYOR



Deemee Harrison
COUNCILLOR



Liz Jarenty
GENERAL MANAGER



Michaela McFadyen
RESPONSIBLE ACCOUNTING OFFICER

Bellingen Shire Council

Income Statement

for the financial year ended 30 June 2014

Budget ¹ 2014	\$ '000	Notes	Actual 2014	Actual 2013
Income from Continuing Operations				
<i>Revenue:</i>				
11,499	Rates & Annual Charges	3a	11,299	10,616
3,973	User Charges & Fees	3b	6,559	6,915
1,315	Interest & Investment Revenue	3c	1,201	1,823
268	Other Revenues	3d	450	1,246
4,379	Grants & Contributions provided for Operating Purposes	3e,f	3,619 ²	7,080
1,467	Grants & Contributions provided for Capital Purposes	3e,f	4,087	1,549
<i>Other Income:</i>				
-	Net gains from the disposal of assets	5	61	289
-	Net Share of interests in Joint Ventures & Associated Entities using the equity method	19	-	-
<u>22,901</u>	Total Income from Continuing Operations		<u>27,276</u>	<u>29,518</u>
Expenses from Continuing Operations				
10,209	Employee Benefits & On-Costs	4a	9,762	9,852
613	Borrowing Costs	4b	468	481
4,814	Materials & Contracts	4c	9,961	9,435
9,433	Depreciation & Amortisation	4d	9,032	9,373
-	Impairment	4d	-	-
3,772	Other Expenses	4e	2,929	2,985
<u>28,841</u>	Total Expenses from Continuing Operations		<u>32,152</u>	<u>32,126</u>
<u>(5,940)</u>	Operating Result from Continuing Operations		<u>(4,876)</u>	<u>(2,608)</u>
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
<u>(5,940)</u>	Net Operating Result for the Year		<u>(4,876)</u>	<u>(2,608)</u>
(5,940)	Net Operating Result attributable to Council		(4,876)	(2,608)
-	Net Operating Result attributable to Non-controlling Interests		-	-
<u>(7,407)</u>	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		<u>(8,963)</u>	<u>(4,157)</u>

¹ Original Budget as approved by Council - refer Note 16

² Financial Assistance Grants for 13/14 are lower, reflecting a timing difference due to a change in how the grant is paid - refer Note 3 (e)

Bellingen Shire Council

Statement of Comprehensive Income

for the financial year ended 30 June 2014

\$ '000	Notes	Actual 2014	Actual 2013
Net Operating Result for the year (as per Income statement)		(4,876)	(2,608)
Other Comprehensive Income:			
<i>Amounts which will not be reclassified subsequently to the Operating Result</i>			
Gain (loss) on revaluation of I,PP&E	20b (ii)	2,078	(3,333)
Impairment (loss) reversal relating to I,PP&E	20b (ii)	149	(441)
Total Items which will not be reclassified subsequently to the Operating Result		2,227	(3,774)
<i>Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met</i>			
Nil			
Total Other Comprehensive Income for the year		2,227	(3,774)
Total Comprehensive Income for the Year		(2,649)	(6,382)
Total Comprehensive Income attributable to Council		(2,649)	(6,382)
Total Comprehensive Income attributable to Non-controlling Interests		-	-

Bellingen Shire Council

Statement of Financial Position

as at 30 June 2014

\$ '000	Notes	Actual 2014	Actual 2013
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	6,065	15,143
Investments	6b	23,100	13,750
Receivables	7	5,709	6,404
Inventories	8	265	306
Other	8	12	65
Non-current assets classified as "held for sale"	22	-	-
Total Current Assets		35,151	35,668
Non-Current Assets			
Investments	6b	-	-
Receivables	7	12	14
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	522,068	525,558
Investments accounted for using the equity method	19	-	-
Investment Property	14	1,924	1,915
Intangible Assets	25	-	-
Total Non-Current Assets		524,004	527,487
TOTAL ASSETS		559,155	563,155
LIABILITIES			
Current Liabilities			
Payables	10	2,770	2,734
Borrowings	10	174	161
Provisions	10	2,784	2,659
Total Current Liabilities		5,728	5,554
Non-Current Liabilities			
Payables	10	-	-
Borrowings	10	4,776	4,925
Provisions	10	689	661
Total Non-Current Liabilities		5,465	5,586
TOTAL LIABILITIES		11,193	11,140
Net Assets		547,962	552,015
EQUITY			
Retained Earnings	20	262,699	267,795
Revaluation Reserves	20	285,263	284,220
Council Equity Interest		547,962	552,015
Non-controlling Interests		-	-
Total Equity		547,962	552,015

Bellingen Shire Council

Statement of Changes in Equity
for the financial year ended 30 June 2014

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non- controlling Interest	Total Equity
2014						
Opening Balance (as per Last Year's Audited Accounts)		267,795	284,220	552,015	-	552,015
a. Correction of Prior Period Errors	20 (c)	(220)	(1,184)	(1,404)	-	(1,404)
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/13)		267,575	283,036	550,611	-	550,611
c. Net Operating Result for the Year		(4,876)	-	(4,876)	-	(4,876)
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsv	20b (ii)	-	2,078	2,078	-	2,078
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	149	149	-	149
Other Comprehensive Income		-	2,227	2,227	-	2,227
Total Comprehensive Income (c&d)		(4,876)	2,227	(2,649)	-	(2,649)
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		262,699	285,263	547,962	-	547,962

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non- controlling Interest	Total Equity
2013						
Opening Balance (as per Last Year's Audited Accounts)		258,191	287,994	546,185	-	546,185
a. Correction of Prior Period Errors	20 (c)	12,212	-	12,212	-	12,212
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/12)		270,403	287,994	558,397	-	558,397
c. Net Operating Result for the Year		(2,608)	-	(2,608)	-	(2,608)
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsv	20b (ii)	-	(3,333)	(3,333)	-	(3,333)
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	(441)	(441)	-	(441)
Other Comprehensive Income		-	(3,774)	(3,774)	-	(3,774)
Total Comprehensive Income (c&d)		(2,608)	(3,774)	(6,382)	-	(6,382)
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		267,795	284,220	552,015	-	552,015

Bellingen Shire Council

Statement of Cash Flows

for the financial year ended 30 June 2014

Budget 2014	\$ '000	Notes	Actual 2014	Actual 2013
Cash Flows from Operating Activities				
Receipts:				
11,464	Rates & Annual Charges		11,345	10,570
3,945	User Charges & Fees		6,536	7,033
1,407	Investment & Interest Revenue Received		1,182	1,664
4,354	Grants & Contributions		6,732	8,379
268	Other		2,466	821
Payments:				
(10,204)	Employee Benefits & On-Costs		(9,502)	(9,992)
(4,794)	Materials & Contracts		(9,219)	(12,496)
(613)	Borrowing Costs		(442)	(414)
-	Bonds, Deposits & Retention amounts refunded		(28)	(102)
(3,766)	Other		(5,207)	(2,416)
<u>2,061</u>	Net Cash provided (or used in) Operating Activities	11b	<u>3,863</u>	<u>3,047</u>
Cash Flows from Investing Activities				
Receipts:				
-	Sale of Investment Securities		13,750	15,357
-	Sale of Infrastructure, Property, Plant & Equipment		330	457
-	Deferred Debtors Receipts		9	9
Payments:				
-	Purchase of Investment Securities		(23,100)	(13,750)
(2,385)	Purchase of Infrastructure, Property, Plant & Equipment		(3,794)	(7,261)
<u>(2,385)</u>	Net Cash provided (or used in) Investing Activities		<u>(12,805)</u>	<u>(5,188)</u>
Cash Flows from Financing Activities				
Receipts:				
Nil				
Payments:				
(153)	Repayment of Borrowings & Advances		(136)	(148)
<u>(153)</u>	Net Cash Flow provided (used in) Financing Activities		<u>(136)</u>	<u>(148)</u>
(477)	Net Increase/(Decrease) in Cash & Cash Equivalents		(9,078)	(2,289)
14,238	plus: Cash & Cash Equivalents - beginning of year	11a	15,143	17,432
<u>13,761</u>	Cash & Cash Equivalents - end of the year	11a	<u>6,065</u>	<u>15,143</u>
Additional Information:				
	plus: Investments on hand - end of year	6b	23,100	13,750
	Total Cash, Cash Equivalents & Investments		<u>29,165</u>	<u>28,893</u>

Please refer to Note 11 for information on the following:

- Non Cash Financing & Investing Activities.
- Financing Arrangements.
- Net cash flow disclosures relating to any Discontinued Operations

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

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n/a - not applicable

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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

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

(a) Basis of preparation

(i) Background

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

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

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

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

Because AASBs are sector neutral, some standards either:

- (a) have local Australian content and prescription that is specific to the Not-For-Profit sector (including Local Government) which are not in compliance with IFRS's, or
- (b) specifically exclude application by Not for Profit entities.

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

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

(iii) New and amended standards adopted by Council

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2013 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(iv) Early adoption of Accounting Standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2013.

(v) Basis of Accounting

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

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

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

(vi) Changes in Accounting Policies

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

There have also been no changes in accounting policies when compared with previous financial statements.

Bellingen Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(vii) Critical Accounting Estimates

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

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) Estimated fair values of investment properties
- (ii) Estimated fair values of infrastructure, property, plant and equipment.
- (iii) Estimated tip remediation provisions.

Critical judgements in applying the entity's accounting policies

- (i) Impairment of Receivables - Council has made a significant judgement about the impairment of a number of its receivables in Note 7.
- (ii) Projected Section 94 Commitments - Council has used significant judgement in determining future Section 94 income and expenditure in Note 17.

(b) Revenue recognition

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that

future economic benefits will flow to the entity and specific criteria have been met for each of the Council's activities as described below.

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

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

Revenue is measured on major income categories as follows:

Rates, Annual Charges, Grants and Contributions

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

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

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

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

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

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

Bellingen Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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

The Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of S94 of the EPA Act 1979.

Whilst Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon their physical receipt by Council, due to the possibility that individual Development Consents may not be acted upon by the applicant and accordingly would not be payable to Council.

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

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

User Charges, Fees and Other Income

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

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

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

Sale of Infrastructure, Property, Plant and Equipment

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

Interest and Rents

Rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

Interest Income from Cash and Investments is accounted for using the Effective Interest method in accordance with AASB 139.

(c) Principles of Consolidation

These financial statements incorporate (i) the assets and liabilities of Council and any Entities (or operations) that it **controls** (as at 30 June 2014) and (ii) all the related operating results (for the financial year ended the 30th June 2014).

In the process of reporting on Council's activities as a single unit, all inter-entity year end balances and reporting period transactions have been eliminated in full between Council and its controlled entities.

(i) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the LGA 1993, all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

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

The following entities have been included as part of the Consolidated Fund:

- *General Purpose Operations*
- *Water Supply*
- *Sewerage Service*

Due to their immaterial value and nature, the Section 355 Committees have been excluded from consolidation.

(ii) The Trust Fund

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

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

Bellingen Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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

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

(iii) Joint Ventures

Council is a member Council of the Clarence Regional Library as disclosed in Note 19.

(iv) Associated Entities

Where Council has the power to participate in the financial and operating decisions (of another entity), ie. where Council is deemed to have "significant influence" over the other entities operations but neither controls nor jointly controls the entity, then Council accounts for such interests using the equity method of accounting – in a similar fashion to Joint Venture Entities & Partnerships.

Such entities are usually termed Associates.

(v) County Councils

Council is not a member of any County Councils.

(vi) Additional Information

Note 19 provides more information in relation to Joint Venture Entities, Associated Entities and Joint Venture Operations where applicable.

(d) Leases

All Leases entered into by Council are reviewed and classified on inception date as either a Finance Lease or an Operating Lease.

Finance Leases

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

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

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

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

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

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

Operating Leases

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

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

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

(e) Cash and Cash Equivalents

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.

(f) Investments and Other Financial Assets

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

- **financial assets at fair value through profit or loss**,

Bellingen Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

- **loans and receivables,**
- **held-to-maturity investments,** and
- **available-for-sale financial assets.**

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

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

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

Financial assets at fair value through profit or loss include financial assets that are “held for trading”.

A financial asset is classified in the “held for trading” category if it is acquired principally for the purpose of selling in the short term.

Assets in this category are primarily classified as current assets as they are primarily held for trading &/or are expected to be realised within 12 months of the balance sheet date.

(ii) Loans and receivables

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

They arise when the Council provides money, goods or services directly to a debtor with no intention (or in some cases ability) of selling the resulting receivable.

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

(iii) Held-to-maturity investments

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

In contrast to the “Loans & Receivables” classification, these investments are generally quoted in an active market.

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

(iv) Available-for-sale financial assets

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

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

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

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

Financial Assets – Reclassification

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

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

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

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no

Bellingen Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

reversals of fair value gains or losses recorded before reclassification date are subsequently made.

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

General Accounting & Measurement of Financial Instruments:

(i) Initial Recognition

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

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

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

(ii) Subsequent Measurement

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

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

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

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

When securities classified as "**available-for-sale**" are sold or impaired, the accumulated fair value

adjustments are included in the income statement as gains and losses from investment securities.

Impairment

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

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

(iii) Types of Investments

Council has an approved Investment Policy in order to undertake its investment of money in accordance with (and to comply with) Section 625 of the Local Government Act and S212 of the LG (General) Regulation 2005.

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

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

Council amended its policy following revisions to the Ministerial Local Government Investment Order arising from the Cole Inquiry recommendations.

(g) Fair value estimation

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

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

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(h) Receivables

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

Receivables (excluding Rates & Annual Charges) are generally due for settlement no more than 30 days from the date of recognition.

The collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

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

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

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

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

Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

(i) Inventories

Raw Materials and Stores, Work in Progress and Finished Goods

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

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

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

Land Held for Resale/Capitalisation of Borrowing Costs

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

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

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

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

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

(j) Infrastructure, Property, Plant and Equipment (I,PP&E)

Acquisition of assets

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

At balance date, the following classes of I,PP&E were stated at their Fair Value;

- **Investment Properties** – refer Note 1(p),
- **Water and Sewerage Networks**
(Internal Valuation)
- **Operational Land** (External Valuation)

Bellingen Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

- **Buildings – Specialised/Non Specialised**
(External Valuation)
- **Plant and Equipment**
(as approximated by depreciated historical cost)
- **Roads Assets incl. roads, bridges & footpaths**
(Internal Valuation)
- **Drainage Assets** (Internal Valuation)
- **Bulk Earthworks** (Internal Valuation)
- **Community Land** (External Valuation)
- **Land Improvements**
(as approximated by depreciated historical cost)
- **Other Structures**
(as approximated by depreciated historical cost)
- **Other Assets**
(as approximated by depreciated historical cost)

Initial Recognition

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

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

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

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

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow

to Council and the cost of the item can be measured reliably.

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

Asset Revaluations (including Indexation)

In accounting for Asset Revaluations relating to Infrastructure, Property, Plant & Equipment:

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

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

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

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

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

Valuation Processes for Operational Land and Buildings

Council engaged the external, independent and qualified valuer APV Valuers and Asset Management, to determine the fair value of operational land and buildings. The main level three inputs are derived and evaluated as follows;

Bellingen Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

- Cost for land restricted in use (non-saleable) – estimate cost to replace the existing land if council had to acquire it on the open market in competition with other market participants. Due to the restricted nature and unique characteristics of this land there was insufficient market evidence of direct comparable sales. Reference was made to sales of land with a limited level of comparability at distant locations and adjusted by the valuer using professional judgement to take account of the differing characteristics. These were evaluated for reasonableness against the price per area for other restricted in use land held by the council that had been valued as level 2.
- Relationship between asset consumption rating scale and the level of consumed service potential – Under the cost approach the estimated cost to replace the asset is calculated and then adjusted to take account of an accumulated depreciation. In order to achieve this, the valuer determines an asset consumption rating scale for each asset type based on the inter-relationship between a range of factors. These factors and their relationship to the fair value require professional judgement and include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value, useful life and pattern of consumption of the future economic benefit.
- The consumption rating scales were based initially on the past experience of the valuation firm and industry guides and were then updated to take into account the experience and understanding of council's own engineers, asset management and finance staff. The results of the valuation were further evaluated by confirmation against council's own understanding of the assets and the level of remaining service potential.

Capitalisation Thresholds

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

Land

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

Plant & Equipment

Office Furniture	> \$1,000
Office Equipment	> \$1,000
Other Plant & Equipment	> \$1,000

Buildings & Land Improvements

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

Water & Sewer Assets

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

Stormwater Assets

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

Transport Assets

Road construction & reconstruction	> \$10,000
Reseal/Re-sheet & major repairs:	> \$10,000
Bridge construction & reconstruction	> \$10,000

Depreciation

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

Land is not depreciated.

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

Plant & Equipment

- Office Equipment	5 to 10 years
- Office furniture	5 to 20 years
- Computer Equipment	4 years
- Vehicles	3 to 8 years
- Other plant and equipment	5 to 20 years

Buildings

- Buildings : Non Specialised	10 to 60 years
- Buildings : Other	5 to 60 years

Bellingen Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

Stormwater Drainage	
- Drains	100 years
<hr/>	
Transportation Assets	
- Sealed Roads : Surface	15 to 20 years
- Sealed Roads : Structure	60 to 75 years
- Unsealed roads	25 years
- Bridge : Concrete	75 years
- Bridge : Other	60 to 75 years
- Road Pavements	60 to 75 years
- Kerb, Gutter & Paths	30 to 100 years
<hr/>	
Water & Sewer Assets	
- Sewer Network	30 to 100 years
- Water Network	30 to 100 years
<hr/>	
Other Infrastructure Assets	
- Bulk earthworks	Infinite

All asset residual values and useful lives are reviewed and adjusted (where appropriate), at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Disposal and De-recognition

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

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

(k) Land

Land (other than Land under Roads) is in accordance with Part 2 of Chapter 6 of the Local Government Act (1993) classified as either Operational or Community.

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

(l) Land under roads

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

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

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

(m) Intangible Assets

Council has not classified any assets as Intangible.

(n) Crown Reserves

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

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

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

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

(o) Rural Fire Service assets

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

Bellingen Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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

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

(p) Investment property

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

Investment property is carried at fair value, representing an open-market value determined annually by external valuers.

Annual changes in the fair value of Investment Properties are recorded in the Income Statement as part of "Other Income".

Full valuations are carried out every five years with an appropriate index utilised each year in between the full revaluations.

The last full revaluation for Council's Investment Properties was dated 30/06/10.

(q) Provisions for close down, restoration and for environmental clean up costs – including Tips and Quarries

Close down, restoration and remediation costs include the dismantling and demolition of infrastructure, the removal of residual materials and the remediation of disturbed areas.

Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance.

Costs are estimated on the basis of a closure plan.

The cost estimates are calculated annually during the life of the operation to reflect known developments, eg updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Close down, Restoration and Remediation costs are a normal consequence of tip and quarry operations, and the majority of close down and restoration expenditure is incurred at the end of the life of the operations.

Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the income statement in each accounting period.

This amortisation of the discount is disclosed as a borrowing cost in Note 4(b).

Other movements in the provisions for close down, restoration and remediation costs including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised within property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each balance sheet date and the cost is charged to the income statement.

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the balance sheet date.

These costs are charged to the income statement.

Bellingen Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

Movements in the environmental clean up provisions are presented as an operating cost, except for the unwind of the discount which is shown as a borrowing cost.

Remediation procedures generally commence soon after the time the damage, remediation process and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other locations.

The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates.

As a result there could be significant adjustments to the provision for close down and restoration and environmental clean up, which would affect future financial results.

Specific Information relating to Council's provisions relating to close down, restoration and remediation costs can be found at Note 26.

(r) Non-Current Assets (or Disposal Groups) "Held for Sale" & Discontinued Operations

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

The exception to this is plant and motor vehicles which are turned over on a regular basis. Plant and motor vehicles are retained in Non Current Assets under the classification of Infrastructure, Property, Plant and Equipment - unless the assets are to be traded in after 30 June and the replacement assets were already purchased and accounted for as at 30 June.

For any assets or disposal groups classified as Non-Current Assets "held for sale", an impairment loss is recognised at any time when the assets carrying value is greater than its fair value less costs to sell.

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

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

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

The results of discontinued operations are presented separately on the face of the income statement.

(s) Impairment of assets

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

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

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

Bellingen Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

Goodwill & other Intangible Assets that have an indefinite useful life and are not subject to amortisation are tested annually for impairment.

(t) Payables

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

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

(u) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

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

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

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

(v) Borrowing costs

Borrowing costs are expensed.

(w) Provisions

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

- Council has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

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

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

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

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

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

(x) Employee benefits

(i) Short Term Obligations

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

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

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

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

Wages and salaries, annual leave and vesting sick leave are all classified as Current Liabilities.

Bellingen Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(ii) Other Long Term Obligations

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

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

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

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

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

(iii) Retirement benefit obligations

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

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

Defined Benefit Plans

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

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

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

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

This Scheme has been deemed to be a "multi employer fund" for the purposes of AASB 119.

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

The last valuation of the Scheme was performed by Mr Richard Boyfield, Representative of Mercer Consulting (Australia) Pty Ltd AFS Licence #411770 for the period ended 30 June 2014.

The position is monitored annually and the Actuary has estimated that as at 30 June 2014 the prior period deficit still exists.

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

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a) for the year ending 30 June 2014 was \$208,261.

The amount of additional contributions included in the total employer contribution advised above is \$123,522

Bellingen Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

The share of this deficit that can be broadly attributed to Council is estimated to be in the order of \$494,088 as at 30 June 2014.

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

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

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

Defined Contribution Plans

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

(iv) Employee Benefit On-Costs

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

These amounts include Superannuation and Workers Compensation expenses which will be payable upon the future payment of certain Leave Liabilities accrued as at 30/6/14.

(y) Self insurance

Council does not self insure.

(z) Allocation between current and non-current assets & liabilities

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

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

Exceptions

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

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

(aa) Taxes

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

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

Goods & Services Tax (GST)

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

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

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

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

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

Investing and Financing cash flows are treated on a net basis (where recoverable from the ATO), ie. they are exclusive of GST. Instead, the GST component of investing and financing activity cash flows which

Bellingen Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

are recoverable from or payable to the ATO are classified as operating cash flows.

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

(ab) New accounting standards and UIG interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2014.

Council has not adopted any of these standards early.

Council's assessment of the impact of these new standards and interpretations is set out below.

Applicable to Local Government with implications:

AASB 9 Financial Instruments, associated standards, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and transitional disclosures (effective from 1 January 2015)

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities.

The standard is not applicable until 1 January 2015 but is available for early adoption.

When adopted, the standard will affect in particular Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.

Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss although there is currently a proposal by the IASB to introduce a Fair Value through Other Comprehensive Income category for debt instruments.

There will be no impact on Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and Council does not have any such liabilities.

The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 explains how to measure fair value and aims to enhance fair value disclosures.

Council has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance.

It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements.

However, application of the new standard will impact the type of information disclosed in the notes to the financial statements.

Council does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

Applicable to Local Government but no implications for Council;

AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 132 & AASB 7] (effective 1 January 2013)

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard.

Bellingen Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] (effective 1 January 2014).

This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.

The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.

Applicable to Local Government but not relevant to Council at this stage;

AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective 1 January 2013)

This suite of five new and amended standards address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities.

The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities.

It focuses on the need to have both power and rights or exposure to variable returns.

Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both.

Control exists when the investor can use its power to affect the amount of its returns.

There is also new guidance on participating and protective rights and on agent/principal relationships. Council does not expect the new standard to have a significant impact on its composition.

AASB 11 introduces a principles based approach to accounting for joint arrangements.

The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement.

Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture.

Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted.

Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard.

AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

Council's investment in the joint venture partnership will be classified as a joint venture under the new rules.

As Council already applies the equity method in accounting for this investment, AASB 11 will not have any impact on the amounts recognised in its financial statements.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128.

Bellingen Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

Application of this standard by Council will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to Council's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa.

The amendments also introduce a "partial disposal" concept.

Council is still assessing the impact of these amendments.

Council does not expect to adopt the new standards before their operative date.

They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

Revised AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements (effective 1 January 2013)

This revised standard on accounting for employee benefits requires the recognition of all re-measurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset.

This replaces the expected return on plan assets that is currently included in profit or loss.

The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits.

The amendments will have to be implemented retrospectively.

Council does not recognise defined benefit assets and liabilities for the reasons set out elsewhere and

so these changes will not have an impact on its reported results.

Not applicable to Local Government per se;

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle (effective 1 January 2013)

AASB 1 - this standard clarifies that an entity can apply AASB 1 more than once. An entity can elect to apply AASB 123 from the transition date or an earlier date.

AASB 101 - clarifies that a third statement of financial position is required when the opening statement of financial position is materially affected by any adjustments.

AASB 116 - clarifies the classification of servicing equipment.

AASB 132 and Interpretation 2 - clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with AASB 112 Income Taxes

AASB 134 - provides clarification about segment reporting.

The amendments arising from this standard are not expected to change the reported financial position or performance of the Council.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(ac) Rounding of amounts

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

(ad) Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items

Bellingen Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

(ae) Disclaimer

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

(af) Clean Energy Future Package

The Australian Government passed the Clean Energy Future Package on 8 November 2011.

Direct Liability

Council will not be “directly liable” for the carbon price of \$23 per tonne as Council does not emit more than 25,000 tonnes of Scope 1 carbon dioxide equivalent (CO₂-e) at a facility level where it has operational control per year.

It is important to note, landfill facilities with direct emissions of 25,000 tonnes CO₂-e a year or more will be liable under the carbon price. The carbon price will not apply to emissions from waste deposited prior to 1 July 2012 (this is known as legacy waste emissions). This is because landfill operators cannot recover the cost of emissions from waste deposited in the past. Those emissions will count towards determining facility thresholds for liability for the carbon price.

Midwaste Regional Waste Forum recently engaged a consultant (Mike Ritchie & Associates) to undertake a detailed investigation and report on this issue (Midwaste Landfill Emissions Study Report) and this includes Bellingen Shire Council’s landfill facilities and the Coffs Coast Resource Recovery Park (owned and operated by Bellingen Shire Council, Coffs Harbour City Council and Nambucca Council).

The report outlines that due to the size of each of Bellingen Shire Council’s landfill facilities, there is a “very low” probability that Council’s landfill facilities will emit more than 25,000 tonnes of carbon dioxide equivalent (CO₂-e) and will therefore not incur a direct liability in either 2013 or in the future. Further,

the report details that the Coffs Coast Resource Recovery Park has a “low” probability it will emit more than 25,000 tonnes of carbon dioxide equivalent (CO₂-e) and will therefore not incur a direct liability in either 2013 or in the future.

There will be no carbon price liability for landfill facilities with emissions of less than 25,000 tonnes CO₂-e a year for the first three years of the carbon price.

Indirect Liability

It is important to note that Council will incur an “indirect liability” by flow through cost impacts in areas such as automotive fuels (through the federal government’s reduction in the diesel fuel rebate on off road vehicles of 4.5 tonnes of greater), procuring products that have a high level of embodied carbon such as building and road maintenance material, other construction materials and stationary energy (electricity).

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 2(a). Council Functions / Activities - Financial Information

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing Operations		Total Assets held (Current & Non-current)	
	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2014	2014	2013	2014	2014	2013	2014	2014	2013	2014	2013	2014	2013
Governance	-	-	-	727	228	248	(727)	(228)	(248)	61	-	-	-
Administration	825	349	633	4,557	4,729	5,440	(3,732)	(4,380)	(4,807)	19	23	30,142	25,402
Public Order & Safety	1,062	843	1,452	1,451	1,407	1,370	(389)	(564)	82	737	1,222	7,409	7,462
Health	88	26	21	533	8	420	(445)	18	(399)	52	57	344	423
Environment	273	3,635	3,453	582	4,736	3,762	(309)	(1,101)	(309)	189	247	211	88
Community Services & Education	275	278	362	882	639	631	(607)	(361)	(269)	263	293	4,678	5,550
Housing & Community Amenities	3,035	297	226	2,989	1,171	1,512	46	(874)	(1,286)	151	230	18,006	19,483
Water Supplies	2,917	3,237	2,521	2,364	2,263	1,616	553	974	905	53	45	59,200	56,914
Sewerage Services	2,779	3,172	2,620	2,954	2,947	2,319	(175)	225	301	41	39	46,077	45,820
Recreation & Culture	107	137	105	1,764	2,072	1,953	(1,657)	(1,935)	(1,848)	67	93	32,593	33,397
Mining, Manufacturing & Construction	103	3	72	132	315	171	(29)	(312)	(99)	-	-	359	404
Transport & Communication	1,738	7,238	7,317	9,473	11,253	12,342	(7,735)	(4,015)	(5,025)	2,687	2,551	355,771	361,706
Economic Affairs	136	165	796	433	384	342	(297)	(219)	454	-	-	4,365	6,506
Total Functions & Activities	13,338	19,380	19,578	28,841	32,152	32,126	(15,503)	(12,772)	(12,548)	4,320	4,800	559,155	563,155
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-	-	-
General Purpose Income ¹	9,563	7,896	9,940	-	-	-	9,563	7,896	9,940	1,770	3,345	-	-
Operating Result from Continuing Operations	22,901	27,276	29,518	28,841	32,152	32,126	(5,940)	(4,876)	(2,608)	6,090	8,145	559,155	563,155

1. Includes: Rates & Annual Charges (incl. Ex-Gratia), Untied General Purpose Grants & Unrestricted Interest & Investment Income.

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 2(b). Council Functions / Activities - Component Descriptions

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

GOVERNANCE

Costs relating to the Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of council and policy making committees, area representation and public disclosure and compliance.

ADMINISTRATION

Corporate Support and Other Support Services (not otherwise attributed to the listed functions / activities).

PUBLIC ORDER & SAFETY

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

HEALTH

Inspection, immunisations, food control, health centres, other, administration.

ENVIRONMENT

Noxious plants and insect/vermin control, other environmental protection, solid waste management, street cleaning, drainage, stormwater management.

COMMUNITY SERVICES & EDUCATION

Administration, family day care, child care, youth services, other family and children, aged and disabled, migrant services, Aboriginal services, other community services, education.

HOUSING & COMMUNITY AMENITIES

Housing, town planning, street lighting, other sanitation and garbage, public cemeteries, public conveniences,

WATER SUPPLIES

SEWERAGE SERVICES

RECREATION & CULTURE

Public libraries, museums, art galleries, community centres, public halls, other cultural services, swimming pools, sporting grounds, parks and gardens (lakes), other sport and recreation.

MINING, MANUFACTURING & CONSTRUCTION

Building control, abattoirs, quarries & pits, other.

TRANSPORT & COMMUNICATION

Urban roads, sealed rural roads, unsealed rural roads, bridges, footpaths, aerodromes, parking areas, bus shelters and services, water transport, RMS works, other.

ECONOMIC AFFAIRS

Camping areas, caravan parks, tourism and area promotion, industrial development promotion, saleyards and markets, real estate development, commercial nurseries, other business undertakings.

Bellingen Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2014	Actual 2013
(a) Rates & Annual Charges			
Ordinary Rates			
Residential		4,284	4,106
Farmland		995	945
Business		378	362
Total Ordinary Rates		5,657	5,413
Special Rates			
Nil			
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		2,178	2,055
Water Supply Services		532	510
Sewerage Services		2,392	2,177
Waste Management Services (non-domestic)		540	461
Total Annual Charges		5,642	5,203
TOTAL RATES & ANNUAL CHARGES		11,299	10,616

Council has used 2010 year valuations provided by the NSW Valuer General in calculating its rates.

Bellingen Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Water Supply Services		1,740	1,562
Sewerage Services		121	102
Waste Management Services (non-domestic)		204	179
Liquid Trade Waste		29	49
Total User Charges		2,094	1,892
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Private Works - Section 67		18	75
Regulatory/ Statutory Fees		244	190
Town Planning		237	195
Total Fees & Charges - Statutory/Regulatory		499	460
(ii) Fees & Charges - Other (incl. General User Charges) (per s.608)			
Caravan Park		12	13
Cemeteries		31	41
Community Centres		13	16
Lease Rentals		11	5
Leaseback Fees - Council Vehicles		30	45
RMS (formerly RTA) Charges (State Roads not controlled by Council)		3,825	4,335
Workers Comp Rebate / OH&S Incentive Payments		31	83
Other		13	25
Total Fees & Charges - Other		3,966	4,563
TOTAL USER CHARGES & FEES		6,559	6,915

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		74	80
- Interest earned on Investments (interest & coupon payment income)		1,063	1,713
- Interest & Dividend Income (Other)		57	28
Amortisation of Premiums & Discounts			
- Interest Free (& Interest Reduced) Loans provided		7	2
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>1,201</u>	<u>1,823</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges (General Fund)		74	80
General Council Cash & Investments		395	1,102
Restricted Investments/Funds - External:			
Development Contributions			
- Section 94		89	96
- Section 64		168	178
Water Fund Operations		293	221
Sewerage Fund Operations		141	94
Domestic Waste Management operations		41	52
Total Interest & Investment Revenue Recognised		<u>1,201</u>	<u>1,823</u>
(d) Other Revenues			
Fair Value Adjustments - Investment Properties	14	9	649
Rental Income - Investment Properties	14	104	105
Rental Income - Other Council Properties		14	23
Legal Fees Recovery - Rates & Charges (Extra Charges)		29	42
Bushfire Costs Reimbursed		-	99
Commissions & Agency Fees		1	1
Dorrigo Waste Centre Gate Fees		52	20
Insurance Claim Recoveries		21	39
Long Service Leave Transfers from Other Councils		14	21
Scrap Metal Sales		58	27
State Emergency Service Costs Reimbursed		10	10
Tourist Centre Income		19	15
Workers Comp Income		73	83
Saleyards Reimbursement		13	2
Tourism Reimbursement		8	3
Bellingen Youth Centre		1	5
Statewide Property Rebate		15	25
Liquidation Proceeds		-	19
Other		9	58
<u>TOTAL OTHER REVENUE</u>		<u>450</u>	<u>1,246</u>

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations (continued)

\$ '000	2014 Operating	2013 Operating	2014 Capital	2013 Capital
(e) Grants				
General Purpose (Untied)				
Financial Assistance - General Component	1,226	2,414	-	-
Financial Assistance - Local Roads Component	417	810	-	-
Pensioners' Rates Subsidies - General Component	127	121	-	-
Total General Purpose	1,770	3,345	-	-

¹ The Financial Assistance Grant for 13/14 reflects a one off reduction due to the fact that this grant is no longer being paid in advance by up to 50% as has occurred in previous years - it does not represent a loss of income but is instead a timing difference.

Specific Purpose

Pensioners' Rates Subsidies:

- Water	53	39	-	-
- Sewerage	41	61	-	-
- Domestic Waste Management	64	39	-	-
Bushfire & Emergency Services	432	213	305	1,009
Community Care	263	289	-	-
Community Centres	-	-	-	4
Diesel Fuel Rebate	68	36	-	-
Employment & Training Programs	19	7	-	-
Environmental Protection	120	172	-	83
Flood Restoration	322	2,413	2,069	-
Heritage & Cultural	6	-	-	-
Information Technology	-	-	-	(13)
Library	48	67	-	-
Noxious Weeds	52	52	-	-
Public Halls	-	-	5	12
Public Health	-	4	-	-
Recreation & Culture	-	1	61	40
Street Lighting	9	9	-	-
Town Planning	-	47	-	-
Transport (Roads to Recovery)	-	-	293	-
Transport (Other Roads & Bridges Funding)	3	7	-	129
Waste	87	80	-	-
Total Specific Purpose	1,587	3,536	2,733	1,264
Total Grants	3,357	6,881	2,733	1,264

Grant Revenue is attributable to:

- Commonwealth Funding	1,782	3,563	293	-
- State Funding	1,514	3,306	2,440	1,194
- Other Funding	61	12	-	70
	3,357	6,881	2,733	1,264

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations (continued)

\$ '000	2014 Operating	2013 Operating	2014 Capital	2013 Capital
(f) Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the LGA):				
S 94 - Contributions towards amenities/services	-	-	171	144
S 64 - Water Supply Contributions	-	-	506	35
S 64 - Sewerage Service Contributions	-	-	161	47
Total Developer Contributions	17	-	838	226
Other Contributions:				
Other Councils - Joint Works/Services	25	-	-	-
RMS Contributions (Regional Roads, Block Grant)	237	199	246	59
Sewerage (excl. Section 64 contributions)	-	-	270	-
Total Other Contributions	262	199	516	59
Total Contributions	262	199	1,354	285
TOTAL GRANTS & CONTRIBUTIONS	3,619	7,080	4,087	1,549

\$ '000	Actual 2014	Actual 2013
(g) Restrictions relating to Grants and Contributions		
Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the Close of the Previous Reporting Period	11,912	13,178
add: Grants & contributions recognised in the current period but not yet spent:	510	1,337
less: Grants & contributions recognised in a previous reporting period now spent:	(1,535)	(2,603)
Net Increase (Decrease) in Restricted Assets during the Period	(1,025)	(1,266)
Unexpended and held as Restricted Assets	10,887	11,912
Comprising:		
- Specific Purpose Unexpended Grants	613	1,991
- Developer Contributions	10,274	9,921
	10,887	11,912

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2014	Actual 2013
(a) Employee Benefits & On-Costs			
Salaries and Wages		7,277	7,491
Employee Leave Entitlements (ELE)		1,174	888
Superannuation - Defined Contribution Plans		208	269
Superannuation - Defined Benefit Plans		677	626
Workers' Compensation Insurance		649	640
Fringe Benefit Tax (FBT)		13	10
Training Costs (other than Salaries & Wages)		102	87
Other		33	40
Total Employee Costs		10,133	10,051
less: Capitalised Costs		(371)	(199)
TOTAL EMPLOYEE COSTS EXPENSED		9,762	9,852
Number of "Equivalent Full Time" Employees at year end		124	119
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		441	454
Total Interest Bearing Liability Costs Expensed		441	454
(ii) Other Borrowing Costs			
Discount adjustments relating to movements in Provisions (other than ELE)			
- Remediation Liabilities	26	27	27
Total Other Borrowing Costs		27	27
TOTAL BORROWING COSTS EXPENSED		468	481

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(c) Materials & Contracts			
Raw Materials & Consumables		3,182	2,820
- Externally Hired Plant		717	1,316
- Electrical Maintenance		-	111
- IT Support		-	131
- Labour Hire		1,007	1,091
- Mowing		-	141
- Roads Maintenance		1,086	864
- Swimming Pool		147	100
- Traffic Control Services		346	385
- Waste Recycling		1,943	1,634
- Other Contractors		1,312	512
- Engineering		6	34
- Environmental		58	101
- OH & S		32	13
- Other Consultancies		8	14
- Other Consultancy Costs		9	-
Auditors Remuneration ⁽¹⁾		34	31
Legal Expenses:			
- Legal Expenses: Planning & Development		33	26
- Legal Expenses: Debt Recovery		-	42
- Legal Expenses: Other		41	38
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments ⁽²⁾		-	31
<u>TOTAL MATERIALS & CONTRACTS</u>		<u>9,961</u>	<u>9,435</u>

1. Auditor Remuneration

During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):

(i) Audit and Other Assurance Services

- Audit & review of financial statements: Council's Auditor	34	31
Remuneration for audit and other assurance services	<u>34</u>	<u>31</u>
Total Auditor Remuneration	<u>34</u>	<u>31</u>

2. Operating Lease Payments are attributable to:

Computers	-	31
	<u>-</u>	<u>31</u>

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2014	Actual 2013	Actual 2014	Actual 2013
Plant and Equipment		-	-	1,294	1,971
Office Equipment		-	-	59	59
Furniture & Fittings		-	-	26	35
Land Improvements (depreciable)		-	-	90	90
Buildings - Non Specialised		-	-	746	738
Other Structures		-	-	-	185
Infrastructure:					
- Roads		-	441	4,118	4,525
- Bridges		-	-	525	-
- Footpaths		-	-	38	-
- Stormwater Drainage		-	-	249	248
- Water Supply Network		-	-	750	680
- Sewerage Network		-	-	865	813
- Swimming Pools		-	-	54	-
- Other Open Space/Recreational Assets		-	-	138	-
- Other Infrastructure		-	-	49	-
Other Assets					
- Other		-	-	11	9
Asset Reinstatement Costs	9 & 26	-	-	20	20
Total Depreciation & Impairment Costs		-	441	9,032	9,373
less: Impairments (to)/from ARR [Equity]	9a	-	(441)	-	-
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	-	9,032	9,373

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		48	96
Bad & Doubtful Debts		30	1
Bank Charges		63	58
Conferences / Seminars		65	49
Contributions/Levies to Other Levels of Government			
- Bushfire Fighting Fund		319	318
- Emergency Services Levy (includes FRNSW, SES, and RFS Levies)		23	27
- Libraries Contribution		194	191
- NSW Fire Brigade Levy		45	44
- Waste Levy		123	63
Councillor Expenses - Mayoral Fee		23	22
Councillor Expenses - Councillors' Fees		73	75
Donations, Contributions & Assistance to other organisations (Section 356)			
- Donations, Contributions & Assistance to Local & Regional Bodies		144	161
Election Expenses		-	75
Electricity & Heating		564	580
Insurance		414	439
Licence Fees		144	113
Postage		36	32
Printing & Stationery		178	190
Street Lighting		91	109
Subscriptions & Publications		157	145
Telephone & Communications		125	153
Valuation Fees		40	38
Other		30	6
<u>TOTAL OTHER EXPENSES</u>		<u>2,929</u>	<u>2,985</u>

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2014	Actual 2013
Property (excl. Investment Property)			
Proceeds from Disposal - Property		50	-
less: Carrying Amount of Property Assets Sold / Written Off		(95)	-
Net Gain/(Loss) on Disposal		(45)	-
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		280	457
less: Carrying Amount of P&E Assets Sold / Written Off		(164)	(168)
Net Gain/(Loss) on Disposal		116	289
Infrastructure			
Proceeds from Disposal - Infrastructure		-	-
less: Carrying Amount of Infrastructure Assets Sold / Written Off		(10)	-
Net Gain/(Loss) on Disposal		(10)	-
Financial Assets*			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		13,750	15,357
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		(13,750)	(15,357)
Net Gain/(Loss) on Disposal		-	-
<u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u>		<u>61</u>	<u>289</u>

Bellinghen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 6a. - Cash Assets and Note 6b. - Investments

\$ '000	Notes	2014 Actual Current	2014 Actual Non Current	2013 Actual Current	2013 Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		2	-	2	-
Cash-Equivalent Assets ¹					
- Deposits at Call		380	-	1,341	-
- Short Term Deposits		5,683	-	13,800	-
Total Cash & Cash Equivalents		6,065	-	15,143	-
Investments (Note 6b)					
- Long Term Deposits		23,100	-	13,750	-
Total Investments		23,100	-	13,750	-
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		29,165	-	28,893	-

¹ Those Investments where time to maturity (from date of purchase) is < 3 mths.

Cash, Cash Equivalents & Investments were classified at year end in accordance with AASB 139 as follows:

Cash & Cash Equivalents

a. Held to Maturity		6,065	-	15,143	-
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Investments

b. "Held to Maturity" Investments	6(b-i)	23,100	-	13,750	-
		23,100	-	13,750	-

Note 6(b-i)

Reconciliation of Investments classified as "Held to Maturity"

Balance at the Beginning of the Year		13,750	-	15,357	-
Additions		23,100	-	13,750	-
Disposals (sales & redemptions)		(13,750)	-	(15,357)	-
Balance at End of Year		23,100	-	13,750	-

Comprising:

- Long Term Deposits		23,100	-	13,750	-
Total		23,100	-	13,750	-

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of investments held.

Bellinghen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 6c. Restricted Cash, Cash Equivalents & Investments - Details

\$ '000	2014	2014	2013	2013
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Total Cash, Cash Equivalents and Investments	29,165	-	28,893	-
attributable to:				
External Restrictions (refer below)	26,439	-	25,900	-
Internal Restrictions (refer below)	2,721	-	2,993	-
Unrestricted	5	-	-	-
	29,165	-	28,893	-

2014 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
-----------------	--------------------	------------------------------	--------------------------------	--------------------

Details of Restrictions

External Restrictions - Included in Liabilities

Deposits, Bonds, Etc	117	1	-	118
External Restrictions - Included in Liabilities	117	1	-	118

External Restrictions - Other

Developer Contributions - General (D)	3,392	259	(157)	3,494
Developer Contributions - Water Fund (D)	4,081	151	-	4,232
Developer Contributions - Sewer Fund (D)	2,448	100	-	2,548
Specific Purpose Unexpended Grants (F)	1,991	-	(1,378)	613
Water Supplies (G)	9,305	947	-	10,252
Sewerage Services (G)	3,464	549	-	4,013
Domestic Waste Management (G)	770	2,682	(2,756)	696
Environmental Levy	256	236	(95)	397
Crown Reserves	76	-	-	76
External Restrictions - Other	25,783	4,924	(4,386)	26,321
Total External Restrictions	25,900	4,925	(4,386)	26,439

D Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).

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

G Water, Sewerage, Domestic Waste Management (DWM) & other Special Rates/Levies/Charges are externally restricted assets and must be applied for the purposes for which they were raised.

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 6c. Restricted Cash, Cash Equivalents & Investments - Details (continued)

2014 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Plant & Vehicle Replacement	1,328	-	(500)	828
Employees Leave Entitlement	840	-	-	840
Carry Over Works	174	764	(458)	480
Business Plan	25	-	-	25
Emergency Services	37	-	-	37
Environmental and Heritage	46	-	(46)	-
IT Reserve	79	51	(44)	86
Training & Development	-	64	-	64
Waste Management	274	551	(554)	271
Workers Comp Contingency	90	-	-	90
Organisational Review	100	-	(100)	-
Total Internal Restrictions	2,993	1,430	(1,702)	2,721
TOTAL RESTRICTIONS	28,893	6,355	(6,088)	29,160

Bellinghen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 7. Receivables

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		835	-	879	-
Interest & Extra Charges		209	-	219	-
User Charges & Fees		666	-	584	-
Accrued Revenues					
- Interest on Investments		240	-	438	-
- Other Income Accruals		57	-	-	-
Deferred Debtors		5	12	5	14
Net GST Receivable		244	-	-	-
Other Levels of Government		3,482	-	4,312	-
Other Debtors		6	-	-	-
Total		5,744	12	6,437	14
less: Provision for Impairment					
Rates & Annual Charges		(29)	-	(27)	-
User Charges & Fees		(6)	-	(6)	-
Total Provision for Impairment - Receivables		(35)	-	(33)	-
<u>TOTAL NET RECEIVABLES</u>		<u>5,709</u>	<u>12</u>	<u>6,404</u>	<u>14</u>
Externally Restricted Receivables					
Water Supply					
- Rates & Availability Charges		(422)	-	47	-
- Other		1,063	-	454	-
Sewerage Services					
- Rates & Availability Charges		236	-	176	-
- Other		84	-	159	-
Domestic Waste Management		174	-	178	-
Total External Restrictions		1,135	-	1,014	-
Internally Restricted Receivables					
Nil					
Unrestricted Receivables		4,574	12	5,390	14
TOTAL NET RECEIVABLES		<u>5,709</u>	<u>12</u>	<u>6,404</u>	<u>14</u>

Notes on Debtors above:

- (i) Rates & Annual Charges Outstanding are secured against the property.
- (ii) Doubtful Rates Debtors are provided for where the value of the property is less than the debt outstanding.
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates & charges at 9.00% (2013 10.00%).
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Bellingen Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 8. Inventories & Other Assets

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
Inventories					
Stores & Materials		219	-	260	-
Trading Stock		46	-	46	-
Total Inventories		265	-	306	-
Other Assets					
Prepayments		12	-	65	-
Total Other Assets		12	-	65	-
TOTAL INVENTORIES / OTHER ASSETS		277	-	371	-
Externally Restricted Assets					
Water					
Stores & Materials		13	-	18	-
Total Water		13	-	18	-
Sewerage					
Nil					
Domestic Waste Management					
Nil					
Other					
Nil					
Total Externally Restricted Assets		13	-	18	-
Total Internally Restricted Assets		-	-	-	-
Total Unrestricted Assets		264	-	353	-
TOTAL INVENTORIES & OTHER ASSETS		277	-	371	-

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

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2013				Asset Movements during the Reporting Period							as at 30/6/2014				
	At	At	Accumulated	Carrying	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Impairment Reversal (via Equity)	WIP Transfers	Adjustments & Transfers	Revaluation Increments to Equity (ARR)	At	At	Accumulated	Carrying	
	Cost	Fair Value	Dep'n	Value								Cost	Fair Value	Dep'n	Value	
Capital Work in Progress	3,847	-	-	3,847	214	-	-	-	(3,023)	-	-	1,038	-	-	-	1,038
Plant & Equipment	-	15,988	9,879	6,109	1,005	(97)	(1,294)	-	-	-	-	-	15,587	9,864	-	5,723
Office Equipment	-	1,416	1,055	361	190	(2)	(59)	-	-	-	-	-	1,526	1,036	-	490
Furniture & Fittings	-	474	346	128	-	(1)	(26)	-	-	-	-	-	439	338	-	101
Land:																
- Operational Land	-	19,162	-	19,162	-	(95)	-	-	-	-	-	-	19,067	-	-	19,067
- Community Land	-	11,787	-	11,787	-	-	-	-	-	-	-	-	11,787	-	-	11,787
Land Improvements - depreciable	-	2,462	867	1,595	133	-	(90)	-	-	-	-	-	2,595	957	-	1,638
Buildings - Non Specialised	-	39,157	4,886	34,271	61	(64)	(746)	-	-	-	-	-	38,995	5,473	-	33,522
Infrastructure:																
- Roads	-	188,928	69,677	119,251	1,148	-	(4,118)	149	2,557	-	-	-	193,809	74,822	-	118,987
- Bridges	-	31,330	10,794	20,536	192	-	(525)	-	11	-	-	-	31,735	11,521	-	20,214
- Footpaths	-	3,761	994	2,767	-	-	(38)	-	-	-	-	-	3,760	1,031	-	2,729
- Bulk Earthworks (non-depreciable)	-	211,322	-	211,322	-	-	-	-	-	-	-	-	211,322	-	-	211,322
- Stormwater Drainage	-	24,792	10,433	14,359	640	-	(249)	-	-	-	-	-	25,432	10,682	-	14,750
- Water Supply Network	-	52,199	11,721	40,478	689	(10)	(750)	-	-	-	1,133	-	54,256	12,716	-	41,540
- Sewerage Network	-	48,520	14,753	33,767	481	-	(865)	-	366	(1,184)	945	-	49,431	15,921	-	33,510
- Swimming Pools	-	1,880	698	1,182	7	-	(54)	-	-	-	-	-	1,886	751	-	1,135
- Other Open Space/Recreational Assets	-	5,514	2,332	3,182	48	-	(138)	-	-	-	-	-	5,562	2,470	-	3,092
- Other Infrastructure	-	1,572	549	1,023	49	-	(49)	-	-	-	-	-	1,621	598	-	1,023
Other Assets:																
- Library Books	-	5	5	-	-	-	-	-	-	-	-	-	5	5	-	-
- Other	-	147	-	147	-	-	(11)	-	-	-	-	-	147	11	-	136
Reinstatement, Rehabilitation & Restoration Assets (refer Note 26):																
- Tip Assets	-	363	82	281	-	-	(17)	-	-	-	-	-	363	99	-	264
- Quarry Assets	-	34	31	3	-	-	(3)	-	-	-	-	-	34	34	-	-
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	3,847	660,813	139,102	525,558	4,857	(269)	(9,032)	149	(89)	(1,184)	2,078	1,038	669,359	148,329	-	522,068

Additions to Buildings & Infrastructure Assets are made up of Asset Renewals (\$2,029k) and New Assets (\$1,286k). Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of other Infrastructure, Property, Plant & Equipment.

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 9b. Externally Restricted Infrastructure, Property, Plant & Equipment

\$ '000	Actual 2014				Actual 2013			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
Water Supply								
WIP	-	34	-	34	31	-	-	31
Plant & Equipment	-	609	459	150	-	574	453	121
Office Equipment	-	117	39	78	-	121	38	83
Furniture & Fittings	-	29	26	3	-	29	25	4
Land								
- Operational Land	-	1,850	-	1,850	-	1,850	-	1,850
- Improvements - depreciable	-	106	34	72	-	106	31	75
Buildings	-	362	48	314	-	363	35	328
Other Structures	-	30	7	23	-	30	5	25
Infrastructure	-	54,256	12,716	41,540	-	52,199	11,721	40,478
Total Water Supply	-	57,393	13,329	44,064	31	55,272	12,308	42,995
Sewerage Services								
WIP	-	548	-	548	868	-	-	868
Plant & Equipment	-	671	325	346	-	665	264	401
Office Equipment	-	194	66	128	-	70	67	3
Furniture & Fittings	-	4	4	-	-	4	4	-
Land								
- Operational Land	-	3,991	-	3,991	-	3,991	-	3,991
Buildings	-	655	54	601	-	656	42	614
Other Structures	-	136	69	67	-	136	65	71
Infrastructure	-	49,431	15,921	33,510	-	48,520	14,753	33,767
Other Assets	-	38	33	5	-	38	27	11
Total Sewerage Services	-	55,668	16,472	39,196	868	54,080	15,222	39,726
Domestic Waste Management								
Plant & Equipment	-	69	23	46	-	23	23	-
Land								
- Operational Land	-	1,259	-	1,259	-	1,259	-	1,259
- Community Land	-	126	-	126	-	126	-	126
- Improvements - depreciable	-	392	99	293	-	392	91	301
Buildings	-	669	72	597	-	771	105	666
Other Structures	-	184	47	137	-	177	33	144
Future Reinstatement Costs	-	363	99	264	-	397	113	284
Total DWM	-	3,062	340	2,722	-	3,145	365	2,780
TOTAL RESTRICTED I,PP&E	-	116,123	30,141	85,982	899	112,497	27,895	85,501

Note 9c. Infrastructure, Property, Plant & Equipment - Current Year Impairments

\$ '000	Notes	Actual 2014	Actual 2013
Impairment Losses recognised direct to Equity (ARR):			
- Moonpar Bridge. Bridge washed away in Jan/Feb 2013 Flood		-	(72)
- Coramba Road 9Sec 40). Damaged in Jan/Feb 2013 Flood		-	(220)
- Martells Road (Sec 30). Culvert washed away in Jan/Feb 2013 Flood		-	(42)
- Bowraville Road (Sec 75). Road washed away in Jan/Feb 2013 Flood		-	(107)
IMPAIRMENT of ASSETS - DIRECT to EQUITY (ARR)	20 (ii)	-	(441)

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		1,689	-	988	-
Payments Received In Advance		214	-	155	-
Accrued Expenses:					
- Borrowings		91	-	92	-
- Salaries & Wages		210	-	147	-
- Other Expenditure Accruals		358	-	1,095	-
Security Bonds, Deposits & Retentions		208	-	236	-
Other		-	-	21	-
Total Payables		2,770	-	2,734	-
Borrowings					
Loans - Secured ¹		174	4,776	161	4,925
Total Borrowings		174	4,776	161	4,925
Provisions					
Employee Benefits;					
Annual Leave		734	-	763	-
Sick Leave		503	-	464	-
Long Service Leave		1,403	138	1,217	137
ELE On-Costs		16	-	16	-
Sub Total - Aggregate Employee Benefits		2,656	138	2,460	137
Asset Remediation/Restoration (Future Works) ²⁶		-	551	-	524
Other		128	-	199	-
Total Provisions		2,784	689	2,659	661
Total Payables, Borrowings & Provisions		5,728	5,465	5,554	5,586
(i) Liabilities relating to Restricted Assets					
		2014		2013	
		Current	Non Current	Current	Non Current
Externally Restricted Assets					
Water		205	-	21	-
Sewer		125	-	58	-
Other		118	-	117	-
Liabilities relating to externally restricted assets		448	-	196	-
Internally Restricted Assets					
Nil					
Total Liabilities relating to restricted assets		448	-	196	-
Total Liabilities relating to Unrestricted Assets		5,280	5,465	5,358	5,586
TOTAL PAYABLES, BORROWINGS & PROVISIONS		5,728	5,465	5,554	5,586

^{1.} Loans are secured over the General Rating Income of Council

Disclosures on Liability Interest Rate Risk Exposures, Fair Value Disclosures & Security can be found in Note 15.

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 10a. Payables, Borrowings & Provisions (continued)

\$ '000	Actual 2014	Actual 2013
(ii) Current Liabilities not anticipated to be settled within the next 12 months		
The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions - Employees Benefits	2,542	1,834
	<u>2,542</u>	<u>1,834</u>

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2014	Actual 2013
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	6,065	15,143
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		<u>6,065</u>	<u>15,143</u>
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		(4,876)	(2,608)
Adjust for non cash items:			
Depreciation & Amortisation		9,032	9,373
Net Losses/(Gains) on Disposal of Assets		(61)	(289)
Non Cash Capital Grants and Contributions		(974)	(742)
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investment Properties		(9)	(649)
- Prior Year Error - Interest on Investments		(220)	-
Amortisation of Premiums, Discounts & Prior Period Fair Valuations			
- Interest on all fair value adjusted Interest Free Advances made by Council		(7)	-
- Interest Exp. on Interest Free Loans received by Council (previously Fair Valued)		-	(2)
Unwinding of Discount Rates on Reinstatement Provisions		27	27
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		693	(1,229)
Increase/(Decrease) in Provision for Doubtful Debts		2	-
Decrease/(Increase) in Inventories		41	(13)
Decrease/(Increase) in Other Assets		53	51
Increase/(Decrease) in Payables		701	(1,465)
Increase/(Decrease) in accrued Interest Payable		(1)	40
Increase/(Decrease) in other accrued Expenses Payable		(674)	755
Increase/(Decrease) in Other Liabilities		10	(124)
Increase/(Decrease) in Employee Leave Entitlements		197	(72)
Increase/(Decrease) in Other Provisions		(71)	(6)
NET CASH PROVIDED FROM/(USED IN)		3,863	3,047
OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		<u>3,863</u>	<u>3,047</u>

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 11. Statement of Cash Flows - Additional Information (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(c) Non-Cash Investing & Financing Activities			
Bushfire Grants		389	742
S64 Contributions "in kind"		585	-
Total Non-Cash Investing & Financing Activities		974	742
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Credit Cards / Purchase Cards		20	20
Total Financing Arrangements		20	20
Amounts utilised as at Balance Date:			
- Credit Cards / Purchase Cards		6	11
Total Financing Arrangements Utilised		6	11

(ii) Secured Loan Liabilities

Loans are secured by a mortgage over future years Rate Revenue only.

Note 12. Commitments for Expenditure

(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 & Equipment

Roads	31	1,559
Total Commitments	31	1,559
These expenditures are payable as follows:		
Within the next year	31	1,559
Total Payable	31	1,559
Sources for Funding of Capital Commitments:		
Unrestricted General Funds	31	1,559
Total Sources of Funding	31	1,559

(b) Finance Lease & Operating Lease Commitments (Non Cancellable)

Nil

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 13a(i). Statement of Performance Measurement - Indicators (Consolidated)

\$ '000	Amounts 2014	Indicator 2014	Prior Periods 2013 2012	
Local Government Industry Indicators - Consolidated				
1. Operating Performance Ratio				
Total continuing operating revenue ⁽¹⁾				
<u>(excl. Capital Grants & Contributions) - Operating Expenses</u>	<u>(9,033)</u>	-39.07%	-17.59%	20.89%
Total continuing operating revenue ⁽¹⁾ (excl. Capital Grants & Contributions)	23,119			
2. Own Source Operating Revenue Ratio				
Total continuing operating revenue ⁽¹⁾				
<u>(less ALL Grants & Contributions)</u>	<u>19,500</u>	71.68%	60.73%	46.02%
Total continuing operating revenue ⁽¹⁾	27,206			
3. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽²⁾	<u>7,564</u>	2.76 : 1	2.48	2.13
Current Liabilities less Specific Purpose Liabilities ^(3, 4)	<u>2,738</u>			
4. Debt Service Cover Ratio				
Operating Result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation (EBITDA)	<u>467</u>	0.77	8.03	5.84
Principal Repayments (from the Statement of Cash Flows) + Borrowing Interest Costs (from the Income Statement)	<u>604</u>			
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual and Extra Charges Outstanding	<u>1,015</u>	8.14%	9.13%	9.39%
Rates, Annual and Extra Charges Collectible	<u>12,473</u>			
6. Cash Expense Cover Ratio				
Current Year's Cash and Cash Equivalents including All Term Deposits	<u>29,165</u>	14.27	15.57	8.83
Payments from cash flow of operating and financing activities	<u>2,045</u>			

Notes

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

⁽²⁾ Refer Notes 6-8 inclusive.

Also excludes any Real Estate & Land for resale not expected to be sold in the next 12 months

⁽³⁾ Refer to Note 10(a).

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

Bellingen Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 13b. Statement of Performance Measurement - Indicators (by Fund)

\$ '000	Water 2014	Sewer 2014	General ⁵ 2014
Local Government Industry Indicators - by Fund			
1. Operating Performance Ratio			
Total continuing operating revenue ⁽¹⁾			
<u>(excl. Capital Grants & Contributions) - Operating Expenses</u>	15.37%	1.60%	-54.93%
Total continuing operating revenue ⁽¹⁾			
(excl. Capital Grants & Contributions)	prior period: 10.28%	-7.53%	-23.62%
2. Own Source Operating Revenue Ratio			
Total continuing operating revenue ⁽¹⁾	82.85%	85.36%	67.79%
<u>(less ALL Grants & Contributions)</u>			
Total continuing operating revenue ⁽¹⁾	prior period: 96.88%	96.79%	63.70%
3. Unrestricted Current Ratio			
<u>Current Assets less all External Restrictions ⁽²⁾</u>	50.01 : 1	32.10 : 1	2.76 : 1
Current Liabilities less Specific Purpose Liabilities ^(3, 4)	prior period: 443.95	59.72	2.48
4. Debt Service Cover Ratio			
<u>Operating Result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation (EBITDA)</u>	0.00%	0.00%	-2.88%
Principal Repayments (from the Statement of Cash Flows) + Borrowing Interest Costs (from the Income Statement)	prior period: 0.00%	0.00%	4.89%
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage			
<u>Rates, Annual and Extra Charges Outstanding</u>	19.69%	9.21%	7.13%
Rates, Annual and Extra Charges Collectible	prior period: 9.58%	6.99%	9.73%
6. Cash Expense Cover Ratio			
Current Year's Cash and Cash Equivalents including All Term Deposits	34.71	20.73	12.11
Payments from cash flow of operating and financing activities	prior period: 37.27	21.24	4.38

Notes

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

(5) General Fund refers to all of Council's activities except for its Water & Sewer activities which are listed separately.

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 14. Investment Properties

\$ '000	Notes	Actual 2014	Actual 2013
(a) Investment Properties at Fair value			
Investment Properties on Hand		<u>1,924</u>	<u>1,915</u>
Reconciliation of Annual Movement:			
Opening Balance		1,915	1,266
- Net Gain/(Loss) from Fair Value Adjustments		9	649
CLOSING BALANCE - INVESTMENT PROPERTIES		<u>1,924</u>	<u>1,915</u>

(b) Valuation Basis

The basis of valuation of Investment Properties is Fair Value, being the amounts for which the properties could be exchanged between willing parties in arms length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

The 2014 revaluations were based on Independent Assessments made by:
APV Valuers & Asset Management - Damon Griggs AAPI, Certified Practicing Valuer,
Registered Valuer No: VAL017601.

(c) Contractual Obligations at Reporting Date

Refer to Note 12 for disclosures relating to any Capital and Service obligations that have been contracted.

(d) Investment Property Income & Expenditure - summary

Rental Income from Investment Properties:			
- Minimum Lease Payments		104	105
Direct Operating Expenses on Investment Properties:			
- that generated rental income		(23)	(35)
Net Revenue Contribution from Investment Properties		<u>81</u>	<u>70</u>
plus:			
Fair Value Movement for year		9	649
Total Income attributable to Investment Properties		<u>90</u>	<u>719</u>

Refer to Note 27- Fair Value Measurement for information regarding the fair value of investment properties held.

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 15. 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.

A comparison by category of the carrying amounts and fair values of Council's Financial Assets & Financial Liabilities recognised in the financial statements is presented below.

	Carrying Value		Fair Value	
	2014	2013	2014	2013
Financial Assets				
Cash and Cash Equivalents	6,065	15,143	6,065	15,143
Investments				
- "Held to Maturity"	23,100	13,750	23,100	13,750
Receivables	5,721	6,418	5,721	6,418
Total Financial Assets	34,886	35,311	34,886	35,311
Financial Liabilities				
Payables	2,556	2,579	2,556	2,579
Loans / Advances	4,950	5,086	4,950	5,086
Total Financial Liabilities	7,506	7,665	7,506	7,665

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates mkt value.
- **Borrowings & Held to Maturity Investments** - are based upon estimated future cash flows discounted by the current market interest rates applicable to assets & liabilities with similar risk profiles, unless quoted market prices are available.
- Financial Assets classified (i) "**at fair value through profit & loss**" or (ii) **Available for Sale** - are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of financial assets & liabilities

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 15. Financial Risk Management (continued)

\$ '000

(a) Cash & Cash Equivalents, Financial assets 'at fair value through the profit & Loss' "Available-for-sale" financial assets & "Held-to-maturity" Investments

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

Council's Finance area manages the Cash & Investments portfolio with the assistance of independent advisors.

Council has an Investment Policy which complies with the Local Government Act & Minister's Investment Order. This Policy is regularly reviewed by Council and its staff and an Investment Report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The risks associated with the investments held are:

- **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.

Council also seeks advice from independent advisers before placing any funds in Cash Equivalents & Investments.

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
2014				
Possible impact of a 1% movement in Interest Rates	292	292	292	292
2013				
Possible impact of a 1% movement in Interest Rates	289	289	289	289

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 15. Financial Risk Management (continued)

\$ '000

(b) Receivables

Council's major receivables comprise **(i) Rates & Annual charges** and **(ii) User Charges & Fees**.

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

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

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

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

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

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

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

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

	2014 Rates & Annual Charges	2014 Other Receivables	2013 Rates & Annual Charges	2013 Other Receivables
(i) Ageing of Receivables - %				
Current (not yet overdue)	52%	99%	39%	99%
Overdue	48%	1%	61%	1%
	100%	100%	100%	100%
(ii) Ageing of Receivables - value				
Current (not yet overdue)	440	4,881	345	5,519
Past due by more than 90 days	395	40	534	53
	835	4,921	879	5,572
(iii) Movement in Provision for Impairment of Receivables			2014	2013
Balance at the beginning of the year			33	33
+ new provisions recognised during the year			2	
Balance at the end of the year			35	33

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 15. Financial Risk Management (continued)

\$ '000

(c) Payables & Borrowings

Payables & 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 & overdraft facilities utilised as required.

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

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2014									
Trade/Other Payables	208	2,348	-	-	-	-	-	2,556	2,556
Loans & Advances	-	174	188	204	224	245	3,915	4,950	4,950
Total Financial Liabilities	208	2,522	188	204	224	245	3,915	7,506	7,506
2013									
Trade/Other Payables	236	2,343	-	-	-	-	-	2,579	2,579
Loans & Advances	-	162	176	191	207	228	4,122	5,086	5,086
Total Financial Liabilities	236	2,505	176	191	207	228	4,122	7,665	7,665

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

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

	2014		2013	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	2,556	0.0%	2,579	0.0%
Loans & Advances - Fixed Interest Rate	4,950	7.4%	5,086	8.6%
	<u>7,506</u>		<u>7,665</u>	

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 13/14 was adopted by the Council on 19 February 2014.

While the Income Statement included in this General Purpose Financial Report must disclose the Original Budget adopted by Council, the Local Government Act 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	2014 Budget	2014 Actual	2014 ----- Variance* -----		
REVENUES					
Rates & Annual Charges	11,499	11,299	(200)	(2%)	U
User Charges & Fees	3,973	6,559	2,586	65%	F
User charges were above budget as the RMS contracted council for more works on MR76 than anticipated, also building and town planning activity increased compared to the previous year.					
Interest & Investment Revenue	1,315	1,201	(114)	(9%)	U
Other Revenues	268	450	182	68%	F
Other revenues are higher than budget due to waste income being higher than expected as council now operates the waste facilities rather than a contractor, other items such as payments from other councils for leave entitlements, workers' compensation recovery, insurance claims and fair value adjustments are normally not budgeted for.					
Operating Grants & Contributions	4,379	3,619	(760)	(17%)	U
The operating grants were lower than expected as the 1st instalment of the Financial Assistance Grant was not paid in advance as in previous years.					
Capital Grants & Contributions	1,467	4,087	2,620	179%	F
Capital grants & contributions were higher than expected due to funding for Bowraville Road flood repairs not being included in the original budget. Contributions for Newry Island sewer connections of \$270k, developer contributed assets in the form of water and sewer infrastructure of \$585k were also not included in the original budget.					
Net Gains from Disposal of Assets	-	61	61	0%	F
Council does not normally budget for gains or losses on sale of assets					

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 16. Material Budget Variations (continued)

\$ '000	2014 Budget	2014 Actual	2014 Variance*	
EXPENSES				
Employee Benefits & On-Costs	10,209	9,762	447	4% F
Borrowing Costs	613	468	145	24% F
Borrowing costs were lower than expected as loan funds for Dorrigo Treatment works have not been required as yet.				
Materials & Contracts	4,814	9,961	(5,147)	(107%) U
Materials and contracts were higher than anticipated due to RMS works on MR76 and flood repairs not being included in the original budget.				
Depreciation & Amortisation	9,433	9,032	401	4% F
Other Expenses	3,772	2,929	843	22% F
Other expenses are lower than expected due to vehicle running expenses being shown in materials and contracts rather than in Other Expenses as in the budget.				
Budget Variations relating to Council's Cash Flow Statement include:				
Cash Flows from Operating Activities	2,061	3,863	1,802	87.4% F
Cash flows from operating activities were higher than expected to due increased funding from RMS for works on MR76 and Bowraville Road.				
Cash Flows from Investing Activities	(2,385)	(12,805)	(10,420)	436.9% U
Cash flows from investing activities were higher than anticipated as the sale and purchase of investments are not normally included in the budget other than to show anticipated interest on investments.				
Cash Flows from Financing Activities	(153)	(136)	17	(11.1%) F
Variance to budget is due to the Dorrigo Treatment works loan not being required as yet and therefore no loan had to be made.				

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 17. Statement of Developer Contributions

\$ '000

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

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

SUMMARY OF CONTRIBUTIONS & LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	10	-	-	-	-	-	10	-	-	10	-
Roads	2,346	124	-	63	(155)	-	2,378	122	-	2,500	-
Parking	26	-	-	1	-	-	27	1	-	28	-
Community Facilities	797	45	-	20	-	-	862	56	-	918	-
S94 Contributions - under a Plan	3,179	169	-	84	(155)	-	3,277	179	-	3,456	-
Total S94 Revenue Under Plans	3,179	169	-	84	(155)	-	3,277				-
S94 not under Plans	213	2	-	5	(2)	-	218	6	(58)	166	-
S64 Contributions	6,529	82	585	168	-	-	6,779				
Total Contributions	9,921	253	585	257	(157)	-	10,274	185	(58)	3,622	-

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN - Community Services & Amenities

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Community Facilities	695	37	-	18	-	-	750	50	-	800	-
Total	695	37	-	18	-	-	750	50	-	800	-

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN - South Urunga Development Area

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	12	-	-	1	-	-	13	1	-	14	-
Total	12	-	-	1	-	-	13	1	-	14	-

CONTRIBUTION PLAN - Bellingen Council Roads

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	2,319	124	-	61	(155)	-	2,349	120	-	2,469	-
Total	2,319	124	-	61	(155)	-	2,349	120	-	2,469	-

CONTRIBUTION PLAN - Bridge Replacement

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	15	-	-	1	-	-	16	1	-	17	-
Total	15	-	-	1	-	-	16	1	-	17	-

CONTRIBUTION PLAN - Bushfire Services Plan

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Community Facilities	102	8	-	2	-	-	112	6	-	118	-
Total	102	8	-	2	-	-	112	6	-	118	-

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN - Bellingen Drainage

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	10	-	-	-	-	-	10	-	-	10	-
Total	10	-	-	-	-	-	10	-	-	10	-

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN - Bellingen Parking

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Parking	26	-	-	1	-	-	27	1	-	28	-
Total	26	-	-	1	-	-	27	1	-	28	-

S94 CONTRIBUTIONS - NOT UNDER A PLAN

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	10	-	-	-	-	-	10	-	-	10	-
Roads	116	-	-	3	-	-	119	3	-	122	-
Other	87	2	-	2	(2)	-	89	3	(58)	34	-
Total	213	2	-	5	(2)	-	218	6	(58)	166	-

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined Benefit Superannuation Contribution Plans

Council participates in an employer sponsored Defined Benefit Superannuation Scheme, and makes contributions as determined by the Superannuation Scheme's Trustees.

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

The Schemes most recent full actuarial review indicated that the Net Assets of the Scheme were not sufficient to meet the accrued benefits of the Schemes Defined Benefit member category with member Councils required to make significantly higher contributions in future years.

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

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

(ii) Statewide Limited

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

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the Net Assets or Liabilities reflects Councils 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.

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 18. Contingencies & Other Assets/Liabilities Not Recognised (continued)

\$ '000

LIABILITIES NOT RECOGNISED (continued):

2. Other Liabilities

(i) Third Party Claims

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

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

(ii) S94 Plans

Council levies Section 94/94A Contributions upon various development across the Council area through the required Contributions Plans.

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

(ii) S94 Plans (continued)

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

These future expenses do not yet qualify as liabilities as of the Reporting Date, but represent Councils intention to spend funds in the manner and timing set out in those Plans.

ASSETS NOT RECOGNISED:

(i) Land Under Roads

As permitted under AASB 1051, Council has elected not to bring to account Land Under Roads that it owned or controlled up to & including 30/6/08.

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

Council is one of two member Councils of the Clarence Regional Library.

Council is represented on the Clarence Regional Library Committee which is responsible for the policies and procedures. The day to day management of the service is the responsibility of the Executive Officer and the financial reporting is included in the consolidated reports of Clarence Valley Regional Council.

Council makes an annual contribution to the operating expenses of the services for the provision of book stocks and information technology services.

The co-operative arrangement does not establish the share of assets to which Council would be entitled in the event of the winding up of the arrangement.

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2014	Actual 2013
(a) Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		267,795	258,191
a. Correction of Prior Period Errors	20 (c)	(220)	12,212
b. Net Operating Result for the Year		(4,876)	(2,608)
Balance at End of the Reporting Period		<u>262,699</u>	<u>267,795</u>
(b) Reserves			
(i) Reserves are represented by:			
- Infrastructure, Property, Plant & Equipment Revaluation Reserve		285,263	284,220
Total		<u>285,263</u>	<u>284,220</u>
(ii) Reconciliation of movements in Reserves:			
Infrastructure, Property, Plant & Equipment Revaluation Reserve			
- Opening Balance		284,220	287,994
- Revaluations for the year	9(a)	2,078	(3,333)
- (Impairment of revalued assets) / Impairment reversals	9(a),(c)	149	(441)
- Correction of Prior Period Errors	20(c)	(1,184)	-
- Balance at End of Year		<u>285,263</u>	<u>284,220</u>
TOTAL VALUE OF RESERVES		<u>285,263</u>	<u>284,220</u>

(iii) Nature & Purpose of Reserves

Infrastructure, Property, Plant & Equipment Revaluation Reserve

- The Infrastructure, Property, Plant & Equipment Revaluation Reserve is used to record increments/decrements of Non Current Asset values due to their revaluation.

(c) Correction of Error/s relating to a Previous Reporting Period

Sewer gravity mains were overstated as at 30 June 2013 due to an incorrect calculation in the evaluation and measurement process. Council has now corrected the error by adjusting the asset value for sewer mains. (1,184)

This adjustment resulted in a net decrease to Council's Revaluation Reserves as at 30/6/13

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 20. Equity - Retained Earnings and Revaluation Reserves (continued)

\$ '000	Actual 2014	Actual 2013
(c) Correction of Error/s relating to a Previous Reporting Period (con'd)		
Council's Interest on Investments for the 2012/13 financial year were overstated due to an incorrect accrual calculation. Council has corrected the error by adjusting the accumulated surplus at 30/6/13.	(220)	
This adjustment resulted in a net decrease in Council's Accumulated Surplus as at 30/6/13.		
Correction of errors as disclosed in last year's financial statements:		
As part of Council's transition to measuring all its I,PP&E at Fair Values, Council this year reviewed and brought to account Fair Values for the following Asset Classes:		
- Buildings Non Specialised Asset Class		
As part of that evaluation & measurement process, the remaining useful life of each asset has been reassessed to actual. This reassessment resulted in a material difference as to where some assets actually sat in with respect to their asset life cycle relative to what the value of accumulated depreciation in Council's Financial Reports had previously indicated.		
Council did not have sufficient and reliable information that would allow the restatement of information prior to 30/6/12 (the closing date for the comparative figures in last year's report).		
As a result, Council adjusted the accumulated depreciation for the Asset Classes below as at 30/6/12 to reflect the correct value of accumulated depreciation;		
Building Non Specialised Asset Class (increase)/decrease to accum depn		12,212
This adjustment resulted in a net increase / (decrease) in Council's Accumulated Surplus as at 30/6/12.		
In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above Prior Period Errors have been recognised retrospectively.		
These amounted to the following Equity Adjustments:		
- Adjustments to Opening Equity - 1/7/13 (relating to adjustments for the 30/6/12 reporting year end and prior periods)	(1,404)	-
- Adjustments to Closing Equity - 30/6/13 (relating to adjustments for the 30/6/13 year end)	-	12,212
Total Prior Period Adjustments - Prior Period Errors	(1,404)	12,212

(d) Voluntary Changes in Accounting Policies

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

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 21. Financial Result & Financial Position by Fund

Income Statement by Fund \$ '000	Actual 2014	Actual 2014	Actual 2014
Continuing Operations	Water	Sewer	General¹
Income from Continuing Operations			
Rates & Annual Charges	532	2,392	8,375
User Charges & Fees	1,740	150	4,669
Interest & Investment Revenue	397	205	599
Other Revenues	31	4	415
Grants & Contributions provided for Operating Purposes	53	41	3,525
Grants & Contributions provided for Capital Purposes	506	431	3,150
Other Income			
Net Gains from Disposal of Assets	-	-	73
Share of interests in Joint Ventures & Associates using the Equity Method	-	-	-
Total Income from Continuing Operations	3,259	3,223	20,806
Expenses from Continuing Operations			
Employee Benefits & on-costs	1,032	1,199	7,531
Borrowing Costs	-	-	468
Materials & Contracts	118	596	9,247
Depreciation & Amortisation	780	952	7,300
Impairment	-	-	-
Other Expenses	333	200	2,396
Net Losses from the Disposal of Assets	11	1	-
Total Expenses from Continuing Operations	2,274	2,948	26,942
Operating Result from Continuing Operations	985	275	(6,136)
Discontinued Operations			
Net Profit/(Loss) from Discontinued Operations	-	-	-
Net Operating Result for the Year	985	275	(6,136)
Net Operating Result attributable to each Council Fund	985	275	(6,136)
Net Operating Result attributable to Non-controlling Interests	-	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	479	(156)	(9,286)

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

NB. All amounts disclosed above are Gross - that is, they include internal charges & recoveries made between the Funds.

Bellinghen Shire Council

Notes to the Financial Statements

as at 30 June 2014

Note 21. Financial Result & Financial Position by Fund (continued)

Statement of Financial Position by Fund \$ '000	Actual 2014	Actual 2014	Actual 2014
ASSETS	Water	Sewer	General¹
Current Assets			
Cash & Cash Equivalents	14,484	6,561	8,120
Investments	-	-	-
Receivables	641	320	4,748
Inventories	13	-	252
Other	-	-	12
Non-current assets classified as 'held for sale'	-	-	-
Total Current Assets	15,138	6,881	13,132
Non-Current Assets			
Investments	-	-	-
Receivables	-	-	12
Inventories	-	-	-
Infrastructure, Property, Plant & Equipment	44,064	39,196	438,808
Investments Accounted for using the equity method	-	-	-
Investment Property	-	-	1,924
Intangible Assets	-	-	-
Total Non-Current Assets	44,064	39,196	440,744
TOTAL ASSETS	59,202	46,077	453,876
LIABILITIES			
Current Liabilities			
Payables	205	125	2,440
Borrowings	-	-	174
Provisions	-	-	2,784
Total Current Liabilities	205	125	5,398
Non-Current Liabilities			
Payables	-	-	-
Borrowings	-	-	4,776
Provisions	-	-	689
Total Non-Current Liabilities	-	-	5,465
TOTAL LIABILITIES	205	125	10,863
Net Assets	58,997	45,952	443,013
EQUITY			
Retained Earnings	18,557	8,494	235,648
Revaluation Reserves	40,440	37,458	207,365
Total Equity	58,997	45,952	443,013

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

NB. All amounts disclosed above are Gross - that is, they include internal receivables & payables between the Funds.

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 22. "Held for Sale" Non Current Assets & Disposal Groups

\$ '000

Council did not classify any Non Current Assets or Disposal Groups as "Held for Sale".

Note 23. Events occurring after the Reporting Date

Events that occur between the end of the reporting period (ending 30 June 2014) and the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 14/11/14.

Events that occur after the Reporting Period represent one of two types:

(i) Events that provide evidence of conditions that existed at the Reporting Period

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2014.

(ii) Events that provide evidence of conditions that arose after the Reporting Period

These financial statements (& figures therein) do not incorporate any "non-adjusting events" that have occurred after 30 June 2014 and which are only indicative of conditions that arose after 30 June 2014.

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

Note 24. Discontinued Operations

Council has not classified any of its Operations as "Discontinued".

Note 25. Intangible Assets

Intangible Assets represent identifiable non-monetary asset without physical substance.

Council is unaware of any control over Intangible Assets that warrant recognition in the Financial Statements, including either internally generated and developed assets or purchased assets.

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

\$ '000

Council has legal/public obligations to make restore, rehabilitate and reinstate the following assets/operations:

Asset/Operation	Estimated year of restoration	NPV of Provision	
		2014	2013
Tip Remediation	2030	486	463
Quarry Remediation	2015	65	61
Balance at End of the Reporting Period	10(a)	551	524

Under AASB 116 - Property, Plant & Equipment, where the use of an asset results in the obligation to dismantle or remove the asset and restore the site on which the asset stands, an estimate of such costs is required to be included in the cost of the asset.

An equivalent liability must be recognised under AASB 137 - Provisions, Contingent Liabilities and Contingent Assets.

The provision has been calculated by determining the present value of the future expenditures expected to be incurred. The discount rate used is the risk free borrowing rate applicable to Council.

	2014	2013
Reconciliation of movement in Provision for year:		
Balance at beginning of year	524	497
Amounts capitalised to new or existing assets:		
Amortisation of discount (expensed to borrowing costs)	27	27
Total - Reinstatement, rehabilitation and restoration provision	551	524

Bellingen Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

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

- Infrastructure, Property, Plant and Equipment
- Investment Property
- Financial Assets & 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 present all assets and liabilities that have been measure & recognised at fair values:

2014	Recurring Fair Value Measurements	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	
	Investment Properties					
	Shops & Offices	30 June 14	-	-	1,924	1,924
	Total Investment Properties		-	-	1,924	1,924

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

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

2014	Recurring Fair Value Measurements	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	
Infrastructure, Property, Plant & Equipment						
	Plant & Equipment	30 June 2013	-	-	5,723	5,723
	Office Equipment	30 June 2013	-	-	490	490
	Furniture & Fittings	30 June 2013	-	-	101	101
	Land – Operational	30 June 2013	-	-	19,067	19,067
	Land – Community	30 June 2013	-	-	11,787	11,787
	Land Improvements – depreciated	30 June 2013	-	-	1,638	1,638
	Buildings – Non Specialised	30 June 2013	-	-	33,522	33,522
	Roads	30 June 2010	-	-	118,987	118,987
	Bridges	30 June 2010	-	-	20,214	20,214
	Footpaths	30 June 2010	-	-	2,729	2,729
	Bulk Earthworks	30 June 2010	-	-	211,322	211,322
	Stormwater Drainage	30 June 2010	-	-	14,750	14,750
	Water Supply Network	30 June 2012	-	-	41,540	41,540
	Sewerage Network	30 June 2012	-	-	33,510	33,510
	Swimming Pools	30 June 2011	-	-	1,135	1,135
	Open Space & Recreation	30 June 2011	-	-	3,092	3,092
	Other Infrastructure	30 June 2011	-	-	1,023	1,023
	Library Books	30 June 2013	-	-	-	-
	Other Assets	30 June 2013	-	-	136	136
	Investment Property	30 June 2014	-	-	1,924	1,924
	Tip Assets	30 June 2010	-	-	264	264
	Quarry Assets	30 June 2010	-	-	-	-
	Total Infrastructure, Property, Plant & Equipment		-	-	522,954	522,954

(2) Transfers between Level 1 & 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.

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

(3) Valuation techniques used to derive Level 2 and Level 3 Fair Values

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

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

Investment Properties

The investment property is included in Level 3 of the hierarchy and the valuation is based upon the best sales evidence in an active market for similar assets. The key unobservable input to the valuation is price per square metre.

The fair value of the investment property is determined by a qualified and experienced valuer. Council's last valuation of its investment property occurred in June 2014 by APV Valuers & Asset Management - Damon Griggs AAPI, Certified Practising Valuer, Registered Valuer No: VAL017601. There has been no change to the valuation process during the reporting period.

Infrastructure, Property, Plant & Equipment

Community Land

Community Land is based on either the Land Value provided by the Valuer-General or an average unit rate based on the Land Value for similar properties where the Valuer-General did not provide a Land Value having regard to the highest and best use for the land. As these rates were not considered to be observable market evidence they have been classified a Level 3. There has been no change to the valuation process during the reporting period.

Operational Land

The valuation of Operational Land has been based upon relevant sales in the area. In certain locations there was a lack of appropriate comparable sales evidence and in these instances the closest comparable sales and factors relating the land parcels geographic, land use and zoning were also taken into consideration. The last valuation was undertaken at 30 June 2013 by APV Valuers & Asset Management - Damon Griggs AAPI, Certified Practising Valuer, Registered Valuer No: VAL017601.

Land Under Roads

Land under roads has not been recognised in Council's accounts.

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

(3) Valuation techniques used to derive Level 2 and Level 3 Fair Values

Other Structures

This asset class comprises of various park assets such as water tanks, fencing, small sheds & shelters, lighting & retaining walls. The valuation process involved the market value approach and depreciated replacement cost approach. The market value approach was utilised on a number of assets where there was sufficient market evidence. For some assets the valuation was based upon the depreciated replacement cost approach and unobservable inputs such as estimated patterns of consumption, residual value, asset condition and useful life require extensive professional judgement and rely on the experience of the valuer. The unobservable inputs place this class of asset at Level 3. The last valuation was undertaken in June 2011 by Liquid Pacific – Martin Burns, Chartered Valuer. There has been no change to the valuation process during the reporting period.

Plant & Equipment, Office Equipment, Furniture & Fittings

Office Equipment are valued at cost but disclosed at fair value in the Notes of the financial statements. It is assumed that the carrying amount of these asset classes is approximate fair value. Assets include graders, motor vehicles, mowers, chainsaws, computers, tables and chairs. The key unobservable inputs are residual life, patterns of consumption and useful life. There has been no change to the valuation process during the reporting period.

Buildings

Buildings are classified as either Specialised or Non Specialised as required by the Code. Where possible the valuation was based upon the Market Value Approach where comparable market transactions have been obtained and used in the valuation. For the remaining assets the Depreciated Replacement Cost Approach was used in the valuation process. The unobservable inputs such as asset condition, patterns of consumption, replacement cost value and useful life rely on the experience and judgement of the valuer and therefore these assets are recorded at Level 3.

The last valuation was undertaken at 30 June 2013 by APV Valuers & Asset Management - Damon Griggs AAPI, Certified Practising Valuer, Registered Valuer No: VAL017601. There has been no change to the valuation process during the reporting period.

Swimming Pools

This is a new class of asset and the fair value amount has been derived from assets originally classed in Other Structures. Swimming Pools were valued as part of Other Structures in June 2011 by Liquid Pacific – Martin Burns, Chartered Valuer. The valuation was based upon the depreciated replacement cost approach and unobservable inputs such as estimated patterns of consumption, residual value, asset condition and useful life require extensive professional judgement and rely on the experience of the valuer. The unobservable inputs place this class of asset at Level 3. There has been no change to the valuation process during the reporting period.

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

(3) Valuation techniques used to derive Level 2 and Level 3 Fair Values

Open Space & Recreation

This asset class comprises of lighting, benches, barbecues, seating and any other asset relating to open spaces and recreation that were in the Other Structures class of asset. These assets were valued as part of the Other Structures valuation. The market value approach was utilised on a number of assets where there was sufficient market evidence. For some assets the valuation was based upon the depreciated replacement cost approach and unobservable inputs such as estimated patterns of consumption, residual value, asset condition and useful life require extensive professional judgement and rely on the experience of the valuer. The unobservable inputs place this class of asset at Level 3. The last valuation was undertaken in June 2011 by Liquid Pacific – Martin Burns, Chartered Valuer. There has been no change to the valuation process during the reporting period.

Water System Assets

This class of assets includes water mains & reticulation, reservoirs, pumping stations and treatment works. The valuation is based on Modern Engineering Equivalent Replacement Asset (MEERA) and standard unit costs. The reference rates are obtained from the NSW Reference Rates Tables issued by NSW Office of Water. The last valuation was undertaken at 30 June 2012 by Council's engineers. The unobservable inputs are useful life, patterns of consumption, condition ratings, remaining life and residuals which rely on the skill and experience of the valuer. There has been no change to the valuation process during the reporting period.

Sewer System Assets

This class of assets includes sewer mains & reticulation, pumping stations, treatment works and ancillary. The valuation is based on Modern Engineering Equivalent Replacement Asset (MEERA) and standard unit costs. The reference rates are obtained from the NSW Reference Rates Tables issued by NSW Office of Water. The last valuation was undertaken at 30 June 2012 by Council's engineers. The unobservable inputs are useful life, patterns of consumption, condition ratings, remaining life and residuals which rely on the skill and experience of the valuer. There has been no change to the valuation process during the reporting period.

Roads, Bridges, Bulk Earthworks and other Infrastructure Assets

This class of asset includes roads, culverts, bridges, footpaths, kerb & gutter, bulk earthworks and causeways. The valuation of the infrastructure assets has been undertaken internally by Council's Engineering Department by experienced Engineers. This valuation relies on key unobservable inputs such as unit rates, gross replacement cost, condition ratings, pattern of consumption, useful life and residual value. The valuation process also relied on the skill and experience of the Engineers. The key unobservable inputs and no active market places this asset category at Level 3. The last valuation was undertaken internally by Council's Engineers at 30 June 2012. There has been no change to the valuation process during the reporting year.

Stormwater Drainage

This class of assets includes culverts, mains, open drains, trash screens, GPT. The valuation is based on Modern Engineering Equivalent Replacement Asset (MEERA) and standard unit costs. The reference rates are obtained from the NSW Reference Rates Tables issued by NSW Office of Water. The last valuation was undertaken at 30 June 2010 by Council's Engineers. The unobservable inputs are useful life, patterns of consumption, condition ratings, remaining life and residuals which rely on the skill and experience of the valuer. There has been no change to the valuation process during the reporting period.

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

(3) Valuation techniques used to derive Level 2 and Level 3 Fair Values

Remediation Assets

This class of asset includes the Raleigh Waste Facility and Whites Quarry. Restoration, cell capping, leachate collection and site closures have been recognised as significant costs for the remediation of these assets. In particular the closing of a landfill site will include preparation, final cell capping, site re-vegetation and leachate management. The key unobservable inputs are discount rate, estimated costs, legislative requirements, the timing of remediation and indexation of labour costs. There has been no change to the valuation process during the reporting period.

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

a. The following tables present the changes in Level 3 Fair Value Asset Classes.

	Total
Opening Balance – 1/07/2012	515,617
Closing Balance – 30/06/2013	523,626
Purchases (GBV)	7,577
Disposals (WDV)	(269)
Depreciation & Impairment	(9,032)
Revaluation Movements	9
Indexation Movements	2,078
Impairment Reversal	149
Adjustments & Transfers	(1,184)
Closing Balance – 30/06/2014	522,954

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

There have been no transfers into or out of Level 3 hierarchy.

Bellinghen Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

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

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

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various Level 3 Asset Class fair values.

Investment Properties

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Urunga Shops & Offices	1,924	The valuation technique is the market approach where current sales evidence of a similar asset is used to determine the fair value	Sale Price Rental Yield	\$1,000,000 - \$2,000,000 5% to 10%	Significant changes in the sales evidence would result in significant changes to the fair value measure.

I,PP&E

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Plant & Equipment, Office Equipment, Furniture & Fittings	6,314	These classes of asset are valued at cost but disclosed as fair value in the notes.	Gross Replacement Cost Useful Life Residual Value	 5 – 20 years 10 – 20%	Significant changes in the estimated unit price would result in significant changes to the fair value measure.
Library Books	0	These classes of asset are valued at cost but disclosed as fair value in the notes.	Cost Useful Life	 5 – 10 years	Significant changes in the estimated unit price would result in significant changes to the fair value measure.
Operational Land	19,067	Operational Land values have been determined based upon relevant sales of land in the locality.	Land Value	\$1,000 to \$1,800,000	Significant changes in the sales evidence would result in significant changes to the fair value measure
Community Land	11,787	Community Land values have been determined based upon the land values issued by the Valuer General.	Land Value	\$1,000 to \$1,300,000	Significant changes in the land values issued by the Valuer-General would result in significant changes to the fair value measure.

Bellingen Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

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

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Other Structures	1,023	The Valuation technique was the market approach and the depreciated replacement cost approach	Gross Replacement Cost Useful Life Asset Condition Residual Value	5 to 60 years Average - 3 Nil	Significant changes in the sales evidence, replacement cost, asset condition and remaining life would result in significant changes to the fair value measure.
Swimming Pools	1,135	The Valuation technique was the depreciated replacement cost approach	Gross Replacement Cost Useful Life Asset Condition Residual Value	25 to 50 years Nil	Significant changes to the replacement cost, asset condition and remaining life would result in significant changes to the fair value measure
Land Improvements	1,638	The valuation technique is the depreciated replacement cost approach	Gross Replacement Cost Useful Life Asset Condition Residual Value	50 to 100 years	Significant changes to the replacement cost, asset condition and remaining life would result in significant changes to the fair value measure.
Open Space & Recreation	3,092	The valuation technique is the market value approach and the depreciated replacement cost approach.	Gross Replacement Cost Useful Life Asset Condition Residual Value	15 to 50 years	Significant changes to the replacement cost, asset condition and remaining life would result in significant changes to the fair value measure
Stormwater Assets	14,750	The valuation is based on Modern Engineering Equivalent Replacement Asset (MEERA) and standard unit costs.	Useful Life Replacement Cost Asset Condition Residual Value	100 years From \$1,000 to \$200,000 Average - 3	Significant changes in replacement cost, remaining life and standard unit costs would result in significant changes to the fair value measure.

Bellinghen Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

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

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Water Assets	41,540	The valuation is based on Modern Engineering Equivalent Replacement Asset (MEERA) and standard unit costs.	Useful Life Residual Value Condition Rating Replacement Cost	30 to 100 years 0% - 65% Average – 2	Significant changes in replacement cost, remaining life and standard unit costs would result in significant changes to the fair value measure.
Sewer Assets	33,510	The valuation is based on Modern Engineering Equivalent Replacement Asset (MEERA) and standard unit costs.	Useful Life Residual Value Condition Rating Replacement Cost	30 to 100 years 0% - 40% Average – 2	Significant changes in replacement cost, remaining life and standard unit costs would result in significant changes to the fair value measure.
Buildings	33,522	The valuation has used the market approach and the depreciated replacement cost approach.	Useful Life Residual Value Replacement Cost Asset Condition	10 to 60 years 0% - 10% \$5000 to \$3,900,000 Average – 2	Significant changes in the replacement cost, asset condition and remaining useful life would result in significant changes to fair value measures
Road Infrastructure	118,987	The valuation technique used was unit rates and condition assessment	Useful Life Residual Value Replacement Cost Condition Rating	15 to 100 years 25% - 50% Average - 3	Significant changes to unit rates, condition assets and road class would result in significant changes to fair value measure.

Bellingen Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

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

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Bulk Earthworks	211,322	The valuation technique used was unit rates and condition assessment	Gross Replacement Cost Condition Rating		Significant changes to unit rates, condition assets and road class would result in significant changes to fair value measure.
Bridges	20,214	The valuation technique used was unit rates and condition assessment	Useful Life Residual Value Replacement Cost Condition Rating	60 to 75 years Average - 3	Significant changes to unit rates, condition assets and road class would result in significant changes to fair value measure.
Footpaths	2,729	The valuation technique used was unit rates and condition assessment	Useful Life Residual Value Replacement Cost Condition Rating	30 to 100 years Average - 3	Significant changes to unit rates, condition assets and road class would result in significant changes to fair value measure.
Tip Remediation	264	The valuation technique used was unit rates and condition assessment	Discount Rate	4.99%	Significant changes to unit rates, condition assets and road class would result in significant changes to fair value measure.
Quarry Remediation	0	The valuation technique used was unit rates and condition assessment	Discount Rate	7.5%	Significant changes to unit rates, condition assets and road class would result in significant changes to fair value measure.

Bellingen Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

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

d. The Valuation Process for Level 3 Fair Value Measurements

The valuation processes used for fair value on Level 3 assets is the depreciated replacement cost approach and the market value approach. Assets that have been valued using the market value approach have been included in the Level Fair Value as the unobservable inputs rely on the skill and experience of the valuer. The depreciated replacement cost approach involves using comparative sales evidence, asset conditions and relies on the skill and experience of the valuer. The land improvements, operational land, community land, other structures, swimming pools, buildings and open space and recreation assets have had valuations completed by external valuers. The external valuers are independent and are qualified and experienced in their field. The valuations have been prepared in accordance with AASB5, AASB13, ASSB116, AASB136 and AASB140.

In the case of stormwater, sewer and water assets, the valuations have been based on the modern engineering equivalent replacement asset (MEERA).

Before engaging a valuer to undertake valuations, Council requires at least three (3) quotations from suitably qualified valuers

Valuation of the road infrastructure assets has been undertaken internally by Council's Engineering Department. This valuation process involved using unit rates to obtain a replacement cost value and condition assessments of the asset obtained a remaining life. The valuation process also relied on the skill and experience of the Engineers.

The analysis of the Level 3 fair value movements after valuations will be undertaken by the GIS Asset Accounting Officer and confirmed by the Finance Manager.

(5). Highest and best use

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

Bellingen Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2014

Note 28. Council Information & Contact Details

Principal Place of Business:

Hyde Street
BELLINGEN NSW 2454

Contact Details

Mailing Address:

PO Box 117
BELLINGEN NSW 2454

Opening Hours:

8.30am to 4.30pm
Monday to Friday

Telephone: 02 6655 7300

Facsimile: 02 6655 2310

Internet: www.bellingen.nsw.gov.au

Email: council@bellingen.nsw.gov.au

Officers

GENERAL MANAGER

Liz Jeremy

RESPONSIBLE ACCOUNTING OFFICER

Michelle McFadyen

Elected Members

MAYOR

Mark Troy

COUNCILLORS

Cr Garry Carter

Cr Desmae Harrison

Cr Dominic King

Cr Steve Klipin

Cr Gordon Manning

Cr David Scott

Other Information

ABN: 26 066 993 265

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Forsyths Business Services Pty Ltd
ABN 66 182 781 401

INDEPENDENT AUDIT REPORT
Report on the general purpose financial statements

To Bellingen Shire Council

SCOPE

The financial statements comprise the Income statement, statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, accompanying notes to the financial statements, and the Statement by Councillors and Management in the approved form as required by Section 413(2)(C) of the *Local Government Act 1993* for Bellingen Shire Council (the Council), for the year ended 30th June 2014.

Councils' responsibility for the financial statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1993* and regulations and the Local Government Code of Accounting Practice and Financial Reporting. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements to the Council based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Audit Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements is free from material misstatement. Our audit responsibility does not extend to the Original Budget figures included in the Income Statement and Statement of Cash Flows and the Original Budget disclosures in Notes 2 and 16 and accordingly, we express no opinion on them.

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

Knowledge with integrity

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.

BASIS OF QUALIFIED AUDITOR'S OPINION

The audited financial statements will be submitted late to the Division of Local Government and not within the prescribed time provided for in Section 416 of Division 2 of the *Local Government Act 1993*. The delays in finalising the financial statements have been a result of the illness of Councils Finance Manager and the resultant dependence on contractors for the compilation of the financial statements.

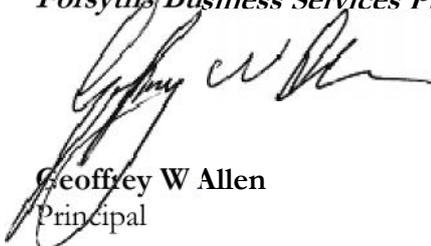
QUALIFIED AUDIT OPINION

In our opinion, except for the effects on the financial statements of the matters referred to in the section titled Basis for Qualified Auditor's Opinion above:

- (a) the accounting records of the Council have been kept in accordance with the requirements of Division 2 of Part 3 of the *Local Government Act 1993*;
- (b) the general purpose financial statements:
 - (i) have been prepared in accordance with the requirements of Division 2 of Part 3 of the *Local Government Act 1993*;
 - (ii) are consistent with the Council's accounting records; and
 - (iii) presents fairly, in all material respects, the Council's financial position as at 30th June 2014 and the results of its operations for the year then ended;
- (c) we have been able to obtain all information relevant to the conduct of our audit; and
- (d) no material deficiencies in the records or the financial statements were detected in the course of the audit.

Forsyths

Forsyths Business Services Pty Ltd



Geoffrey W Allen
Principal

14th November 2014
92 Rusden Street, Armidale

14 November 2014

The Mayor
Bellingen Shire Council
PO Box 117
Bellingen 2454

Armidale

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Dear Mr Mayor

Forsyths Business Services Pty Ltd
ABN 66 182 781 401

AUDIT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

We are pleased to report that we have completed the audit of Council's financial statements and records for the year ended 30 June 2014 and have issued our audit opinion on the general purpose financial statements and special purpose financial statements as required by the provisions of Section 417(2) of the *Local Government Act 1993*.

Under Section 417(3) of the *Local Government Act 1993* we are also required to report on the conduct of the audit.

Council's responsibilities

The Council is responsible for preparing the financial statements that give a true and fair view of the financial position and performance of the Council, and that complies with Accounting Standards in Australia, in accordance with the *Local Government Act 1993*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit Objectives

We have conducted an independent audit of the financial statements in order to express an opinion on them to the Council. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our audit responsibility does not extend to the Original Budget figures included in the Income Statement and Statement of Cash Flows the Original Budget disclosures in Notes 2 and 16 to the financial statements and accordingly, we express no opinion on them.

The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial statements presents fairly, in accordance with the *Local Government Act 1993*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of

Knowledge with integrity

Liability limited by a scheme approved under the Professional Standards Legislation



the Council's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Council.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial statements. These and other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the Council.

We have issued our audit opinion on the basis of the foregoing comments.

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This auditor's report relates to the financial statements of Bellinghen Shire Council for the year ended 30 June 2014 included on Bellinghen Shire Council's web site. The Council is responsible for the integrity of its web site. We have not been engaged to report on the integrity of the Council's web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.

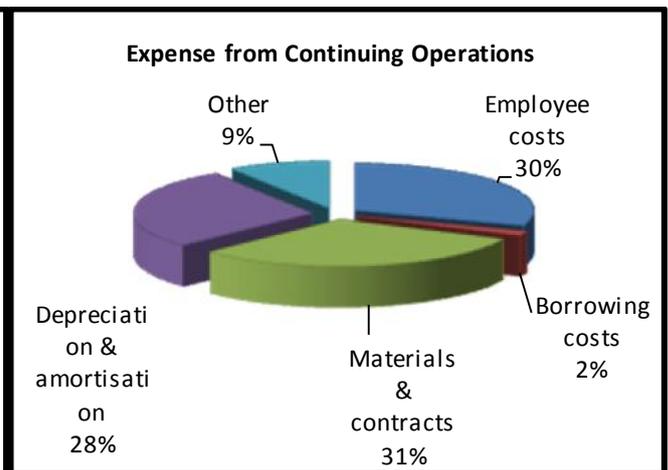
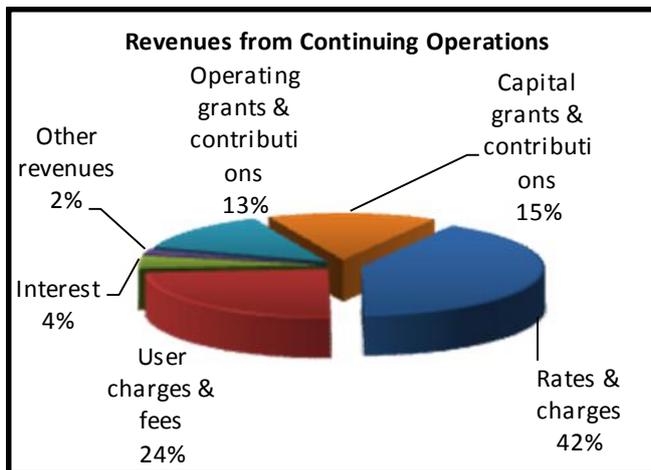


Additional Reporting Requirements

In accordance with Section 417(3) of the *Local Government Act 1993* we make the following comments in relation to the results and financial trends.

The Income Statement for the year ended 30 June 2014 discloses the following result:

INCOME STATEMENT	Budget	Actual	Actual	Variance	
	2014	2014	2013	Actual	Budget
	\$'000	\$'000	\$'000	%	
INCOME					
Rates & annual charges	11,499	11,299	10,616	6.4%	-1.7%
User charges & fees	3,973	6,559	6,915	-5.1%	65.1%
Interest	1,315	1,201	1,823	-34.1%	-8.7%
Other revenues from ordinary activities	268	450	1,246	-63.9%	67.9%
Grants & contributions - Operating	4,379	3,619	7,080	-48.9%	-17.4%
Grants & contributions - Capital	1,467	4,087	1,549	163.8%	178.6%
Gain from sale of assets	0	61	289	-78.9%	0.0%
Total Revenue from Ordinary Activities	22,901	27,276	29,518	-7.6%	19.1%
EXPENSES					
Employee costs	10,209	9,762	9,852	-0.9%	-4.4%
Borrowing costs	613	468	481	-2.7%	-23.7%
Materials and contracts	4,814	9,961	9,435	5.6%	106.9%
Depreciation & amortisation	9,433	9,032	9,373	-3.6%	-4.3%
Other expenses from ordinary activities	3,772	2,929	2,985	-1.9%	-22.3%
Total Expenses from Ordinary Activities	28,841	32,152	32,126	0.1%	11.5%
NET OPERATING RESULT FOR THE YEAR	(5,940)	(4,876)	(2,608)	87.0%	-17.9%
Net operating result before capital grants	(7,407)	(8,963)	(4,157)	115.6%	21.0%



The financial statements report an operating deficit of \$4.9m for the year compared with a deficit of \$2.6m in the previous year. This result includes grants for capital purposes of \$4.1m. The expenditure of these grants is not recorded in this statement but in the statement of financial position and when excluded the deficit increases to \$9.0m (2013: deficit \$4.2m).

Income decreased compared to the prior year by 7.6%. The decrease was mainly a result of a decrease in operating grants & contributions, user charges & fees, other revenue and interest which was partially offset by increases in rates and annual charges and capital grants & contributions. The decrease in operational grants & contributions is mainly a result of the Government ceasing to prepay



financial assistance grant instalment this year and a reduction in flood restoration grants. User charges & fees were lower mainly due to lower RMS state road work and charges. Other revenue was lower this year as there was a gain on revaluation of investment properties in the prior year. Interest was lower this year mainly due to an error in the interest accrual in the prior year which overstated the interest income. Capital grants & contributions increased mainly due to the receipt of flood restoration grants, roads to recovery grants, RMS contributions, Newry Island sewerage contributions and increased developer contributions during the year. Rates and annual charges increased due to rate pegging increases and increased water, sewer and domestic waste charges

Expenditure increased by 0.1% on the previous year, largely as a result of a increased materials and contracts expenditure of 6.6% which was mainly due to an increase in road maintenance work during the year, which was offset by an decreases in employee costs mainly due to termination payments in the prior year, and depreciation mainly due to plant and equipment which was fully depreciated at 30 June 2013.

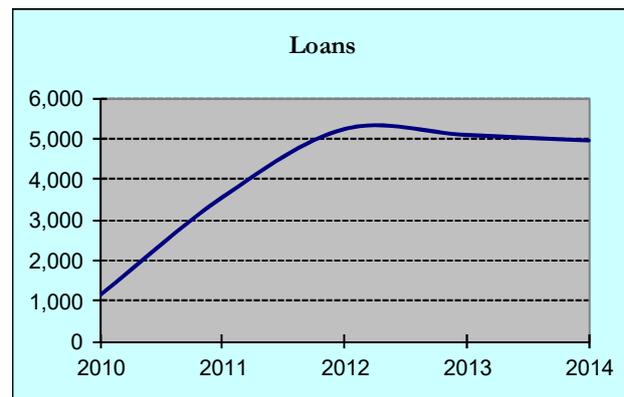
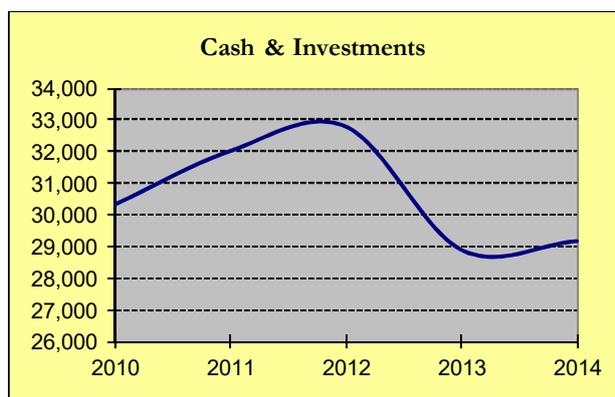
The actual operating deficit (including capital income) for the year of \$4.9 m compares with the original budget deficit of \$5.9m. The variation between the actual results and the original budget is primarily due to the following:

Budget Variations > than 10% and > \$1m		Comment
User charges & fees	\$ 2,586,000	User charges & fees were favourable to budget mainly due to higher than expected State road works funding during the year and higher building and town planning activities during the year.
Other revenues from ordinary activities	\$ 182,000	Favourable to budget mainly due to higher waste income as council now operates the waste facilities and higher than expected workers compensation recoveries.
Operating Grants	\$ (760,000)	Operating grants were unfavourable to budget mainly due to the Government ceasing to prepay financial assistance grant instalments.
Capital Grants	\$ 2,620,000	Capital grants were favourable to budget mainly due to the funding for the Bowraville Road flood repairs and contributions to the Newry Island sewer connections and higher than expected developer contributions.
Borrowing costs	\$ 145,000	Favourable to budget as loan funds for Dorrigo Treatment works have not been required as yet.
Materials & Contracts	\$ (5,147,000)	Materials & contracts were unfavourable to budget mainly due to higher than expected costs of RMS State Roads works and flood restoration works not being included in the original budget.
Other expenses from ordinary activities	\$ 843,000	Favourable to budget mainly due to vehicle running expenses now being shown in materials and contracts.



The following schedule of assets and liabilities has been extracted from the statement of financial position as at 30 June 2014. This schedule discloses the consolidated assets and liabilities of all functions.

SCHEDULE OF ASSETS & LIABILITIES	2014 \$'000	2013 \$'000	Variance
CURRENT ASSETS			
Cash Assets	6,065	15,143	-59.9%
Investment securities	23,100	13,750	68.0%
Receivables	5,709	6,404	-10.9%
Inventories	265	306	-13.4%
Other	12	65	-81.5%
TOTAL CURRENT ASSETS	35,151	35,668	-1.4%
CURRENT LIABILITIES			
Payables	2,770	2,734	1.3%
Interest Bearing Liabilities	174	161	8.1%
Provisions	2,784	2,659	4.7%
TOTAL CURRENT LIABILITIES	5,728	5,554	3.1%
NET CURRENT ASSETS	29,423	30,114	-2.3%
NON-CURRENT ASSETS			
Receivables	12	14	-14.3%
Investment Property	1,924	1,915	0.5%
Property Plant & Equipment	522,068	525,558	-0.7%
TOTAL NON-CURRENT ASSETS	524,004	527,487	-0.7%
NON-CURRENT LIABILITIES			
Provisions	689	661	4.2%
Interest Bearing Liabilities	4,776	4,925	-3.0%
TOTAL NON-CURRENT LIABILITIES	5,465	5,586	-2.2%
NET ASSETS	547,962	552,015	-0.7%



Cash and Investments as at 30th June 2014 total \$29.2m compared to \$28.9m in 2013 due to the increased operational cash flow during the year.

Receivables have decreased by \$0.7m mainly due to a reduction grants receivable at the end of the year in relation to flood damage works.



Infrastructure, property, plant and equipment decreased by \$3.5m due to the additions of \$4.9m, the indexing of water and sewer assets of \$2.1m and an impairment reversal of \$0.2m offset by depreciation of \$9.0m, prior year error in sewer indexation of \$1.2m and asset disposals of \$0.3m.

Borrowings have decreased by \$0.1m due to scheduled repayments of Councils borrowings.

Provisions increased from \$3.3m in the prior year to \$3.5m due to an increase in the number of staff now eligible for long service leave.

NET CURRENT ASSETS

The Net Current Asset position at year end is an important financial indicator as it discloses the working capital available to Council to fund day to day operations and finance infrastructure and new community projects. However, included in Current Assets are assets which are “Restricted” by regulation or other externally imposed requirements and therefore are not available for other than their restricted purpose. The following table isolate these restrictions:

	Water \$'000	Sewerage \$'000	Dom Waste \$'000	General \$'000	Total \$'000
Current Assets	15,138	6,881	872	12,260	35,151
Current Liabilities	205	125	-	5,398	5,728
Net Current Assets	14,933	6,756	872	6,862	29,423
Add back Employee Entitlements > 12 months	-	-	-	2,542	2,542
LESS: Current Restricted Cash & Investments (Included in Revenue)					
Deposits, Bonds, etc	-	-	-	118	118
Developer Contributions	4,232	2,548	-	3,494	10,274
Unexpended Grants	-	-	-	613	613
Environmental Levy	-	-	-	397	397
Crown Reserves incl Anchors Wharf	-	-	-	76	76
	4,232	2,548	-	4,698	11,478
FUNDS AVAILABLE After external restrictions	10,701	4,208	872	4,706	20,487
LESS: INTERNAL RESTRICTIONS	-	-	271	2,450	2,721
NET FUNDS After Internal Restrictions	10,701	4,208	601	2,256	17,766

INTERNAL RESTRICTIONS	Opening	Transfers		Closing
	1-Jul \$'000	to \$'000	from \$'000	30-Jun \$'000
Employee Entitlements	840	-	-	840
Plant Replacement	1,328	-	500	828
Carry-over works	174	764	458	480
Business Plans	25	-	-	25
Waste Management (Non-Domestic)	274	551	554	271
IT Reserve	79	51	44	86
Environmental and Heritage	46	-	46	-
Organisational Review	100	-	100	-
Emergency Services	37	-	-	37
Training & Development	-	64	-	64
Workers Comp Contingency	90	-	-	90
	2,993	1,430	1,702	2,721

The above table demonstrates that the General fund has available funds of \$4.7m before setting aside funds in reserves (internal restrictions). After funding \$2.7m (2013: \$3.0m) in internal restrictions, Council has a surplus of \$2.3m (2013: \$2.4m) to fund day to day working capital requirements.



Council has internally restricted \$840,000 to fund employee leave entitlements. This restriction represents 33% of current leave entitlements. This funding is considered adequate given that the annual leave component is traditionally provided for in Council’s current year budget.

PERFORMANCE INDICATORS

The Code of Accounting Practice requires the mandatory disclosure of certain performance indicators. These financial indicators are useful in assessing performance, financial position and the likely financial burden to be placed on ratepayers.

The key financial indicators disclosed in the Financial Statements are:

RATIO	PURPOSE	2014	2013	2012	Benchmarks
OPERATING PERFORMANCE RATIO	To assess councils ability to meet operating expenditure within operating revenue.	-39.1%	-17.6%	-20.9%	Tcorp >-4% Grp 11 Ave -3.2 State Ave -5%
OWN SOURCE OPERATING REVENUE	To assess the degree of reliance on external funding sources.	71.7%	60.7%	46.0%	TCorp >60% Grp 11 Ave 55% State Ave 58.6%
UNRESTRICTED CURRENT RATIO	To assess the adequacy of working capital after excluding all restricted assets and liabilities.	2.76	2.48	2.13	Tcorp >1.5 Grp 11 Ave 4.8 State Ave 4
DEBT SERVICE COVER RATIO	To assess the availability of operating cash to service debt including interest, principle and lease payments.	0.01	0.08	0.06	Tcorp >2.0 Grp 11 Ave 13.8 State Ave 29.2
OUTSTANDING RATES	To assess the impact of uncollected rates and charges on liquidity and the adequacy of recovery efforts.	8.1%	9.1%	9.4%	Tcorp <10% Grp 11 Ave 7.4% State Ave 7%
CASH EXPENSE COVER RATIO	To assess the number of months council can pay its expenses without additional cash inflow.	14.27	15.57	8.83	Tcorp >3 Grp 11 Ave 6% State Ave 5.4%

Operating performance

An operating performance deficit of 39.1% compares to a deficit in 2013 of 17.6% and means that Councils operating revenue, excluding capital grants and contributions are insufficient to cover operating expenditure. This compares to the Group 11 Councils average deficit of 3.2% and a State average deficit of 5.0% for 2013. The TCORPs benchmark for this ratio is to have a deficit of less than 4.0% each year. The “fit for the future” benchmark is that councils should have a breakeven or better operating performance ratio over a three year period.

Own source operating revenue

A ratio of 71.7% for the 2014 year highlights Council’s dependence on grants and contributions and compares to a Group 11 average of 55% for 2013 and a State average of 58.6% for 2013. The TCORP benchmark for sustainability is to have a ratio of greater than 60%. The “fit for the future” benchmark is that councils should have an own source operating revenue of greater than 60% over a three year period which council has achieved.

*Unrestricted ratio*

The unrestricted ratio excludes all current assets and liabilities that are restricted to specific purposes such as water, sewer, domestic waste management functions and specific purpose unexpended grants & contributions. This ratio is before setting aside cash to fund internal restrictions relative to the general function. An unrestricted current ratio of 2.76 indicates that the general purpose function of Council has \$2.76 in current assets available to meet every dollar of current liability. Council's ratio of 2.76 compares to the average of 4.8 for the Group 11 Councils and is lower than the State average of 4.0 for 2013 and is higher than the TCorp benchmark of greater than 1.5.

Debt service cover ratio

The debt service cover ratio of 0.01 times indicates that council has \$0.01 before interest and depreciation to pay interest and principal on current borrowings. The TCorp benchmark for sustainability is to have a ratio of greater than 2.0.

Outstanding rates ratio

The outstanding rates ratio stands at 8.1% and compares to the Group 11 Council average of 7.4% and the State average of 7.0% for 2013. This ratio is an indicator of Council's activity to collect outstanding rate revenues.

Cash expense ratio

The cash expense ratio indicates that Council can pay 14.27 months of its expenses without additional cash inflows and compares to the Group 11 Council average of 6.0 and the State average of 5.4 for 2013. The TCorp benchmark is to have reserves to meet at least 3 months of operating expenditure.



The key financial indicators by fund disclosed in the Financial Statements are:

RATIO	PURPOSE	Water	Sewer	General	
OPERATING PERFORMANCE RATIO	To assess councils ability to meet operating expenditure within operating revenue.	15.4% 10.3%	1.6% -7.5%	-54.9% -22.0%	■ 2014 ■ 2013
OWN SOURCE OPERATING REVENUE	To assess the degree of reliance on external funding sources.	82.9% 96.9%	85.4% 96.8%	67.8% 63.7%	■ 2014 ■ 2013
UNRESTRICTED CURRENT RATIO	To assess the adequacy of working capital after excluding all restricted assets and liabilities.	50.01 443.95	32.10 59.72	2.76 2.48	■ 2014 ■ 2013
DEBT SERVICE COVER RATIO	To assess the availability of operating cash to service debt including interest, principle and lease payments.	0.0% 0.0%	0.0% 0.0%	-2.9% 4.9%	■ 2014 ■ 2013
OUTSTANDING RATES	To assess the impact of uncollected rates and charges on liquidity and the adequacy of recovery efforts.	19.7% 9.6%	9.2% 7.0%	7.1% 9.7%	■ 2014 ■ 2013
CASH EXPENSE COVER RATIO	To assess the number of months council can pay its expenses without additional cash inflow.	34.71 37.27	20.73 21.24	12.11 4.38	■ 2014 ■ 2013

Operating performance

An operating performance ratio by fund shows that general fund have insufficient operating revenue, excluding capital grants and contributions to cover operating expenditure. As a result insufficient profit is being generated to fund the depreciation on assets in the general fund. Whereas the water and sewer fund meets the benchmarks

Owned source operating revenue

The ratios show the Councils reliance on grant and contribution funding, with all funds meeting the 60% benchmark.

Unrestricted Ratio

The unrestricted ratios show that the sewer fund and water fund have sufficient working capital, however there is a need for the general fund to build up reserves.

Debt service cover ratio

The debt service cover ratio by fund shows that the water and sewer funds currently have no borrowings and the general fund has limited current potential to increase borrowings to fund infrastructure backlogs.

Outstanding rate ratio

The outstanding rate ratio by fund shows that the percentage of outstanding rates by fund.



Cash expense ratio

This ratio shows that the each fund has sufficient cash reserves at this time.

Infrastructure Asset Performance Indicators

With the emphasis on “Fit for the Future” we have included comments on unaudited infrastructure asset performance measures disclosed in the Special Schedule 7 are as follows:

RATIO	PURPOSE	2014	2013	2012	Benchmarks
BUILDING AND INFRASTRUCTURE RENEWALS RATIO	To assess the proportion spent on infrastructure renewals vs infrastructure deterioration.	0.27	0.51	0.79	Tcorp >100% Grp 11 Ave 87.4% State Ave 81%
INFRASTRUCTURE BACKLOG RATIO	To assess the infrastructure backlog against the total value of councils infrastructure.	8.0%	17.0%	5.0%	Tcorp <20% Grp 11 Ave 13.1% State Ave 10%
ASSET MAINTENANCE RATIO	To assess the actual vs required annual maintenance expenditure.	0.64	1.11	1.81	Tcorp >100% Grp 11 Ave 90% State Ave 70%
CAPITAL EXPENDITURE RATIO	To assess the extent to which council is forecasting to expand its asset base with capital expenditure.	0.51	0.84	1.17	Tcorp >1.1

Building & Infrastructure renewal ratio

The asset renewals ratio outlines Council’s performance with renewing its infrastructure assets against the level of estimated infrastructure asset deterioration (as represented by depreciation expense). For 2014 Council spent \$0.27 for every \$1 in estimated asset deterioration. The Group 11 average for the asset renewal ratio was \$0.87 and the state average of \$0.81 for 2013. The “fit for the future” benchmark is that councils should have a Building and infrastructure renewals ratio of greater than one over a three year period.

The current trend in the ratio highlights that Council expended less on asset renewals compared to the estimated reduction in asset condition over the past three years and therefore, based on this ratio, Council’s overall infrastructure has deteriorated over that period.

Infrastructure backlog ratio

An infrastructure backlog ratio of 8% indicates that the infrastructure backlog represents 17% of the value of Councils depreciable infrastructure and compares to a Group 11 average of 13.1% and State average of 10% for 2013. The TCorp benchmark is a ratio less than 20% and the fit for the future benchmark is less than 2%.

Asset maintenance ratio

The Asset Maintenance ratio of 0.64 indicated that Council has undertaking insufficient maintenance to keep pace with required maintenance requirements as determined by council’s engineers and maintenance staff and compares to a Group 11 average of 0.90 and State average of 0.91 for 2013. A ratio of greater than 1.0 is considered acceptable by TCorp.

Capital expenditure ratio

The capital expenditure ratio of 0.51 indicates that Council has expended 51 cents on capital expenditure for every dollar of depreciation. The TCorp benchmark is for a Council to have a capital expenditure ratio of greater than 1.1.



The increase in current cash and investments is evident in the following table extracted from the Statement of Cash Flows.

CASH & INVESTMENT MOVEMENTS	Actual 2014	Actual 2013	Variance
	\$'000	\$'000	%
CASH & INVESTMENT INFLOWS			
Operating Receipts	28,261	28,467	-0.7%
Proceeds from Assets Sales	330	457	-27.8%
Repayment from Deferred Debtors	9	9	0%
Proceeds from sale of investment securities	13,750	15,357	-10.5%
Proceeds from Borrowings	0	0	0.0%
TOTAL RECEIPTS	42,350	44,290	-4.4%
CASH & INVESTMENT OUTFLOWS			
Operating Payments	24,398	25,420	-4.0%
Purchase of Assets	3,794	7,261	-47.7%
Purchase of investment securities	23,100	13,750	68.0%
Repayment of Loans	136	148	-8.1%
Purchase of investment property	0	0	0.0%
TOTAL PAYMENTS	51,428	46,579	10.4%
CASH & INVESTMENT MOVEMENT	(9,078)	(2,289)	296.6%
Cash Assets	6,065	15,143	-59.9%
Investment securities	23,100	13,750	68.0%
Total Cash & Investments on Hand	29,165	28,893	0.9%

Total cash and investment balance increased from \$28.9m in 2013 to \$29.2m due to increased operating cash flows.

Cash Outflows for "Purchase of Assets" included road and bridge construction totalling \$1.1m. This compares with the \$4.1m annual rate of depreciation of these assets. In assessing the replacement rate of depreciating assets it is also important to note that Special Schedule No 7, which is an unaudited statement prepared in conjunction with the financial report, discloses that the estimated cost to bring roads and bridges to a satisfactory standard is \$12.0m.

Other assets purchased during the year included items of plant worth \$1.0m, stormwater drainage \$0.6m, water supply network \$0.7m and sewer network \$0.5m.

SPECIAL PURPOSE FINANCIAL STATEMENTS

Council is required to report the financial results of identified Business Units in accordance with National Competition Policy guidelines. The reports are known as Special Purpose Financial Statements and are subject to audit. Council has identified Water and Sewerage functions as Category 1 Business Units.

WATER SUPPLY FUNCTION

The Special Purpose Financial Statements disclose that the Water Supply function recorded an operating surplus (before capital funding) of \$423,000 after allowing for depreciation of \$780,000. The Net Current Asset position records a positive balance of \$14,933,000 compared to \$13,884,000 for the previous year. The net current asset position is considered good, especially given the fund has no debt and the condition of water infrastructure assets in Special Schedule 7 (unaudited) is "good".

SEWERAGE SERVICES

The Special Purpose Financial Statements disclose that the Sewerage function recorded an operating deficit (before capital funding) of \$221,000 after allowing for depreciation of \$952,000. The current



level of Net Current Assets of \$6,756,000 is sound given the size of the function and considering the fund has minimal debt and the condition of sewerage infrastructure assets in Special Schedule 7 (unaudited) is “good”.

FINANCIAL SUSTAINABILITY

Over the recent past there have been a number of reviews into local government financial sustainability and management (such as local government review panel report, local government Acts taskforce report, NSW Treasury Corporation (“TCorp”) report and the Infrastructure management audit) the outcomes from these reviews provide insight into the NSW Government expectations of councils and how they are assessing the viability and structure of local government in the future.

During the year all councils have had an external assessment by NSW Treasury Corporation (“TCorp”) of their financial sustainability. TCorp has defined financial sustainability as follows:

“A local government will be financially sustainable over the long term when it is able to generate sufficient funds to provide the levels of service and infrastructure agreed with its community”

Based on TCorps assessment of Council’s financial results from 2009 to 2012, the unaudited Special Schedule 7, ten year financial forecasts and other factors (e.g. Population growth, workforce demographics and skills, environmental and natural disaster factors) it has assessed Councils financial sustainability as Moderate and its outlook as Negative.

It should be noted that the audit of the financial statements is an audit of Council at a point in time whereas the TCorp report evaluation is for the future sustainability of Council and:

- Did not take into account the financial results from 2013 and 2014;
- It includes unaudited data from Special Schedule 7 as well as the ten year financial forecast; and
- Is based upon future data, which includes assumptions and judgements regarding the future operations of Council, including what revenue and expenses will be incurred in the future, as well as significant judgement with regard to other non-financial information.

Based on our review of the TCorp report, for Council to improve its financial sustainability position it will need to consider the following:

- Monitor rating and user charge revenue increases in order to match or exceed future increases in operational expenditure;
- Continue to improve its asset management plans and processes in order to understand future infrastructure replacement and maintenance needs;
- Prudent use of borrowings to support long term infrastructure improvements;
- Continue to review its long term financial forecast modelling and assumptions in order to provide an accurate picture of long term financial issues; and
- Continued community consultation to identify acceptable service levels including acceptable condition of its infrastructure assets.

During 2013 an audit of Local Government infrastructure across all councils in NSW was conducted using a survey of councils’ infrastructure management processes and practices, historical financial information and through a number of visits to councils. As a result of the audit councils asset management practices were graded as either Very Strong, Strong, Moderate, Weak, Very Weak or Distressed. Bellingen Shire Council was graded a “Weak”.

The audit identified the following focus areas for councils to achieve sustainable infrastructure service levels:



- Skilled People – develop asset management skills and capacity within councils;
- Appropriate Processes – implement appropriate asset management practices focusing on community service level negotiations, risk management and infrastructure vulnerability assessments, and identification of critical infrastructure;
- Reliable data – development of specific asset management measurement parameters, improved reporting of asset management and progress on achieving the delivery program; and
- Adequate resources – adequately fund asset management through the use of debt, local Government Renewal Scheme funding, special rate variations and grant funds.

Subsequent to the report from the local government review panel and local government Acts taskforce, the NSW Government response is outlined in its “fit for the future” blueprint. This will require councils to assess their current financial position and submit a fit for the future proposal by 30 June 2015. Presently there has been no guidelines issued on the form of the response but indicators are they will use the above reports (TCorp and OLG infrastructure management report) along with the local government review panel recommendations.

Should councils be deemed “unfit” then the NSW Government will strongly encourage councils to consider the following options:

- Seek voluntary merger with other councils in order to meet a sustainable “threshold”;
- Develop regional joint organisations with separate governance structures to manage critical elements for a number of councils (e.g. finance and IT, economic development, engineering, etc.);
- Accepting the offer for cheaper finance to build and maintain facilities; and
- Utilising the innovation fund to help smaller councils explore new ways to working with other councils.

GENERAL

Reporting obligations under the Local Government Act

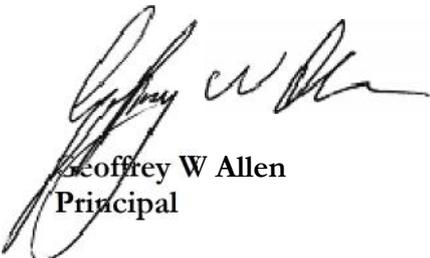
We note that, Council’s core accounting systems and records are satisfactory, however, completion of the financial statement has been delayed due to the illness of the Finance Manager and dependence on contractors for the completion of the accounting and prepare the financial statements. As a result, the audited financial statements will be submitted late to the Division of Local Government and not within the prescribed time provided for in Division 2 of the *Local Government Act 1993*.

We take this opportunity of thanking the General Manager and her staff for their co-operation and assistance during the course of the audit.

Under section 419 of the *Local Government Act 1993*, Council is required to give public notice of a Council meeting for the purpose of presenting the audited financial statements and the auditor's report. A Principal of this firm is available to attend this meeting to address any questions in respect of the audit report or the conduct of the audit.

Yours faithfully

FORSYTHS BUSINESS SERVICES PTY LTD



Geoffrey W Allen
Principal

Bellingen Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2014

Bellingen Shire - Naturally Magic



Bellingen Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2014

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Background

- (i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Division 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 & 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 over \$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 & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).
-

Bellingen Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2014

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:

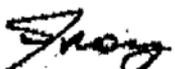
- The NSW Government Policy Statement "Application of National Competition Policy to Local Government".
- The Division of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality".
- The Local Government Code of Accounting Practice and Financial Reporting.
- The NSW Office of Water (Department of Environment, Climate Change and Water) Guidelines - "Best Practice Management of Water and Sewerage".

To the best of our knowledge and belief, these Financial Statements:

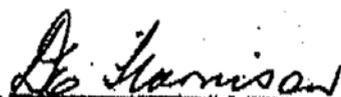
- Present fairly the Operating Result and Financial Position for each of Council's declared Business Activities for the year, and
- Accord with Council's accounting and other records.

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

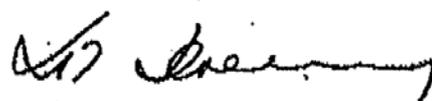
Signed in accordance with a resolution of Council made on 31 October 2014.



 Mark Troy
 MAYOR



 Deanna Harrison
 COUNCILLOR



 Liz Jerrett
 GENERAL MANAGER



 Michelle McFadyen
 RESPONSIBLE ACCOUNTING OFFICER

Bellingen Shire Council

Income Statement of Council's Water Supply Business Activity

for the financial year ended 30 June 2014

\$ '000	Actual 2014	Actual 2013
Income from continuing operations		
Access charges	532	537
User charges	1,740	1,607
Fees	-	-
Interest	397	332
Grants and contributions provided for non capital purposes	53	45
Profit from the sale of assets	-	-
Other income	31	37
Total income from continuing operations	2,753	2,558
Expenses from continuing operations		
Employee benefits and on-costs	1,032	998
Borrowing costs	-	-
Materials and contracts	118	234
Depreciation and impairment	780	722
Water purchase charges	-	-
Loss on sale of assets	11	-
Calculated taxation equivalents	56	54
Debt guarantee fee (if applicable)	-	-
Other expenses	333	287
Total expenses from continuing operations	2,330	2,295
Surplus (deficit) from Continuing Operations before capital amounts	423	263
Grants and contributions provided for capital purposes	506	35
Surplus (deficit) from Continuing Operations after capital amounts	929	298
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	929	298
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(127)	(79)
SURPLUS (DEFICIT) AFTER TAX	802	219
plus Opening Retained Profits	17,572	17,018
plus/less: Prior Period Adjustments	-	215
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	56	54
- Debt guarantee fees	-	-
- Corporate taxation equivalent	127	79
less:		
- Tax Equivalent Dividend paid	-	(13)
- Surplus dividend paid	-	-
Closing Retained Profits	18,557	17,572
Return on Capital %	0.01	0.01
Subsidy from Council	1,146	1,358
Calculation of dividend payable:		
Surplus (deficit) after tax	802	219
less: Capital grants and contributions (excluding developer contributions)	-	-
Surplus for dividend calculation purposes	802	219
Potential Dividend calculated from surplus	401	110

Bellingen Shire Council

Income Statement of Council's Sewerage Business Activity

for the financial year ended 30 June 2014

\$ '000	Actual 2014	Actual 2013
Income from continuing operations		
Access charges	2,392	2,318
User charges	121	48
Liquid Trade Waste charges	29	49
Fees	-	-
Interest	205	161
Grants and contributions provided for non capital purposes	41	39
Profit from the sale of assets	-	-
Other income	4	13
Total income from continuing operations	2,792	2,628
Expenses from continuing operations		
Employee benefits and on-costs	1,199	1,089
Borrowing costs	-	-
Materials and contracts	596	575
Depreciation and impairment	952	898
Loss on sale of assets	1	-
Calculated taxation equivalents	65	62
Debt guarantee fee (if applicable)	-	-
Other expenses	200	202
Total expenses from continuing operations	3,013	2,826
Surplus (deficit) from Continuing Operations before capital amounts	(221)	(198)
Grants and contributions provided for capital purposes	431	47
Surplus (deficit) from Continuing Operations after capital amounts	210	(151)
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	210	(151)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
SURPLUS (DEFICIT) AFTER TAX	210	(151)
plus Opening Retained Profits	8,219	8,173
plus/less: Prior Period Adjustments	-	144
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	65	62
- Debt guarantee fees	-	-
- Corporate taxation equivalent	-	-
less:		
- Tax Equivalent Dividend paid	-	(9)
- Surplus dividend paid	-	-
Closing Retained Profits	8,494	8,219
Return on Capital %	-0.6%	-0.5%
Subsidy from Council	1,616	1,696
Calculation of dividend payable:		
Surplus (deficit) after tax	210	(151)
less: Capital grants and contributions (excluding developer contributions)	-	-
Surplus for dividend calculation purposes	210	-
Potential Dividend calculated from surplus	105	-

Bellingen Shire Council

Statement of Financial Position - Council's Water Supply Business Activity

as at 30 June 2014

\$ '000	Actual 2014	Actual 2013
ASSETS		
Current Assets		
Cash and cash equivalents	14,484	4,886
Investments	-	8,500
Receivables	641	501
Inventories	13	18
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	15,138	13,905
Non-Current Assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	44,064	42,995
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total non-Current Assets	44,064	42,995
TOTAL ASSETS	59,202	56,900
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	205	21
Interest bearing liabilities	-	-
Provisions	-	-
Total Current Liabilities	205	21
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
Total Non-Current Liabilities	-	-
TOTAL LIABILITIES	205	21
NET ASSETS	58,997	56,879
EQUITY		
Retained earnings	18,557	17,572
Revaluation reserves	40,440	39,307
Council equity interest	58,997	56,879
Non-controlling equity interest	-	-
TOTAL EQUITY	58,997	56,879

Bellingen Shire Council

Statement of Financial Position - Council's Sewerage Business Activity

as at 30 June 2014

\$ '000	Actual 2014	Actual 2013
ASSETS		
Current Assets		
Cash and cash equivalents	6,561	3,413
Investments	-	2,500
Receivables	320	334
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	6,881	6,247
Non-Current Assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	39,196	39,726
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total non-Current Assets	39,196	39,726
TOTAL ASSETS	46,077	45,973
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	125	58
Interest bearing liabilities	-	-
Provisions	-	-
Total Current Liabilities	125	58
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
Total Non-Current Liabilities	-	-
TOTAL LIABILITIES	125	58
NET ASSETS	45,952	45,915
EQUITY		
Retained earnings	8,494	8,219
Revaluation reserves	37,458	37,696
Council equity interest	45,952	45,915
Non-controlling equity interest	-	-
TOTAL EQUITY	45,952	45,915

Bellingen Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2014

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	8
2	Water Supply Business Best Practice Management disclosure requirements	11
3	Sewerage Business Best Practice Management disclosure requirements	13

Bellingen Shire Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2014

Note 1. Significant Accounting Policies

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

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

The figures presented in these special purpose financial statements, unless otherwise stated, have been prepared in accordance with:

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

The disclosures in these special purpose financial statements have been prepared in accordance with:

- the Local Government Act and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

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

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

National Competition Policy

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

The framework for its application is set out in the June 1996 Government Policy statement on the "Application of National Competition Policy to Local Government".

The "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality" issued by the Division 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 of 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 & Costing for Council Businesses - A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

Category 1

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

a. Bellingen Shire Council Water Supply

Comprising the whole of the operations and assets of the water supply systems servicing the towns of Bellingen, Urunga, Repton, Mylestom and Dorrigo.

b. Bellingen Shire Council Sewerage Service

Comprising the whole of the operations and assets of the sewerage reticulation and treatment system servicing the towns of Bellingen, Urunga and Dorrigo.

Category 2

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

Nil

Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars, with the exception of some figures disclosed in Note 2 (Water Supply Best Practice Management Disclosures) and Note 3 (Sewerage Best Practice Management Disclosures).

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

Bellinghen Shire Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2014

Note 1. Significant Accounting Policies

(i) Taxation Equivalent Charges

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

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

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

Notional Rate Applied %

Corporate Income Tax Rate – 30%

Land Tax – The first **\$406,000** of combined land values attracts **0%**. From \$406,001 to \$2,482,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,482,000, a premium marginal rate of **2.0%** applies.

Payroll Tax – **5.45%** on the value of taxable salaries and wages in excess of \$689,000.

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

The payment of taxation equivalent charges, referred in the Best Practice Management of Water Supply and Sewerage Guides to as a “Dividend for Taxation equivalent”, may be applied for any purpose allowed under the Local Government Act, 1993.

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

Income Tax

An income tax equivalent has been applied on the profits of each reported Business Activity.

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 positive gain/(loss) from ordinary activities before capital amounts has been achieved.

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

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

Local Government Rates & Charges

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

Loan & Debt Guarantee Fees

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

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

Bellingen Shire Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2014

Note 1. Significant Accounting Policies

(ii) Subsidies

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

Subsidies occur where 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 the council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported Business Activity.

(iii) Return on Investments (Rate of Return)

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

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

The Rate of Return on Capital is calculated as follows:

Operating Result before Capital Income + Interest Expense

Written Down Value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 3.54% at 30/6/14.

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

(iv) Dividends

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

Local Government Water Supply and Sewerage Businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

The dividend, calculated and approved in accordance with the Best Practice Management Guidelines, must not exceed either:

- (i) 50% of this surplus in any one year, or
- (ii) the number of water supply or sewerage assessments at 30 June 2014 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the NSW Office of Water prior to making the dividend and only after it has approved the payment.

Bellingen Shire Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2014

Note 2. Water Supply Business Best Practice Management disclosure requirements

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2014

1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i)	Calculated Tax Equivalents	56,000
(ii)	No of assessments multiplied by \$3/assessment	12,675
(iii)	Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	12,675
(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]	401,050
(ii)	No. of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	114,075
(iii)	Cumulative surplus before Dividends for the 3 years to 30 June 2014, less the cumulative dividends paid for the 2 years to 30 June 2013 & 30 June 2012	1,500,500

2014 Surplus	802,100	2013 Surplus	219,100	2012 Surplus	479,300
		2013 Dividend	-	2012 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	114,075
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment Criteria]	-

3. Required outcomes for 6 Criteria

[To be eligible for the payment of a "Dividend from Surplus", ALL the Criteria below need a "YES"]

(i)	Completion of Strategic Business Plan (including Financial Plan)	YES
(ii)	Full Cost Recovery, without significant cross subsidies [Refer Item 2(a) in Table 1 on page 22 of the Best Practice Guidelines]	YES
	- Complying charges [Item 2(b) in Table 1]	YES
	- DSP with Commercial Developer Charges [Item 2(e) in Table 1]	YES
	- If Dual Water Supplies, Complying Charges [Item 2(g) in Table 1]	YES
(iii)	Sound Water Conservation and Demand Management implemented	YES
(iv)	Sound Drought Management implemented	YES
(v)	Complete Performance Reporting Form (by 15 September each year)	YES
(vi)	a. Integrated Water Cycle Management Evaluation	YES
	b. Complete and implement Integrated Water Cycle Management Strategy	YES

Bellingen Shire Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2014

Note 2. Water Supply Business Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2014

National Water Initiative (NWI) Financial Performance Indicators

NWI F1	Total Revenue (Water) Total Income (w13) - Grants for the Acquisition of Assets (w11a) - Interest Income (w9) - Aboriginal Communities W&S Program Income (w10a)	\$'000	2,870
NWI F4	Revenue from Residential Usage Charges (Water) Income from Residential Usage Charges (w6b) x 100 divided by the sum of [Income from Residential Usage Charges (w6a) + Income from Residential Access Charges (w6b)]	%	76.54%
NWI F9	Written Down Replacement Cost of Fixed Assets (Water) Written down current cost of system assets (w47)	\$'000	43,832
NWI F11	Operating Cost (OMA) (Water) Management Expenses (w1) + Operational & Maintenance Expenses (w2)	\$'000	1,483
NWI F14	Capital Expenditure (Water) Acquisition of fixed assets (w16)	\$'000	287
NWI F17	Economic Real Rate of Return (Water) [Total Income (w13) - Interest Income (w9) - Grants for acquisition of assets (w11a) - Operating Costs (NWI F11) - Current Cost Depreciation (w3)] x 100 divided by [Written Down Current Cost of System Assets (w47) + Plant & Equipment (w33b)]	%	1.38%
NWI F26	Capital Works Grants (Water) Grants for the Acquisition of Assets (w11a)	\$'000	-

- Notes:
1. References to w (eg. w12) refer to item numbers within Special Schedules No. 3 & 4 of Council's Annual Financial Statements.
 2. The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.

Bellingen Shire Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2014

Note 3. Sewerage Business Best Practice Management disclosure requirements

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2014

1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i)	Calculated Tax Equivalents	65,000
(ii)	No of assessments multiplied by \$3/assessment	9,549
(iii)	Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	9,549
(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]	105,000
(ii)	No. of assessments x (\$30 less tax equivalent charges per assessment)	85,941
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2014, less the cumulative dividends paid for the 2 years to 30 June 2013 & 30 June 2012	(271,000)

2014 Surplus	210,000	2013 Surplus	(151,000)	2012 Surplus	(330,000)
		2013 Dividend	-	2012 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	n/a
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment Criteria]	-

3. Required outcomes for 4 Criteria

[To be eligible for the payment of a "Dividend from Surplus", ALL the Criteria below need a "YES"]

(i)	Completion of Strategic Business Plan (including Financial Plan)	YES
(ii)	Pricing with full cost-recovery, without significant cross subsidies [Refer Item 2(a) in Table 1 on page 22 of the Best Practice Guidelines]	YES
	Complying charges	
	(a) Residential [Item 2(c) in Table 1]	YES
	(b) Non Residential [Item 2(c) in Table 1]	YES
	(c) Trade Waste [Item 2(d) in Table 1]	YES
	DSP with Commercial Developer Charges [Item 2(e) in Table 1]	YES
	Liquid Trade Waste Approvals & Policy [Item 2(f) in Table 1]	YES
(iii)	Complete Performance Reporting Form (by 15 September each year)	YES
(iv)	a. Integrated Water Cycle Management Evaluation	YES
	b. Complete and implement Integrated Water Cycle Management Strategy	YES

Bellingen Shire Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2014

Note 3. Sewerage Business Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2014

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	3,018
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	38,849
NWI F12	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	1,931
NWI F15	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	769
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 (ie. WDCC) of System Assets (s48) + Plant & Equipment (s34b)]	%	0.34%
NWI F27	Capital Works Grants (Sewerage) Grants for the Acquisition of Assets (12a)	\$'000	-

National Water Initiative (NWI) Financial Performance Indicators Water & Sewer (combined)

NWI F3	Total Income (Water & 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	5,876
NWI F8	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	1.60%
NWI F16	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	1,056
NWI F19	Economic Real Rate of Return (Water & 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 & equipment (w33b + s34b)]	%	0.89%
NWI F20	Dividend (Water & Sewerage) Dividend paid from surplus (2(v) of Note 2 + 2(v) of Note 3)	\$'000	-
NWI F21	Dividend Payout Ratio (Water & Sewerage) Dividend (NWI F20) x 100 divided by Net Profit after tax (NWI F24)	%	0.00%

Bellingen Shire Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2014

Note 3. Sewerage Business Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2014

National Water Initiative (NWI) Financial Performance Indicators Water & Sewer (combined)

NWI F22	Net Debt to Equity (Water & Sewerage) Overdraft (w36 + s37) + Borrowings (w38 + s39) - Cash & Investments (w30 + s31) x 100 divided by [Total Assets (w35 + s36) - Total Liabilities (w40 + s41)]	%	-20.05%
NWI F23	Interest Cover (Water & Sewerage) Earnings before Interest & Tax (EBIT) divided by Net Interest Earnings before Interest & Tax (EBIT): 742 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: - 594 Interest Expense (w4a + s4a) - Interest Income (w9 + s10)		> 100
NWI F24	Net Profit After Tax (Water & Sewerage) Surplus before dividends (w15a + s16a) - Tax equivalents paid (Note 2-1(iv) + Note 3-1(iv))	\$'000	1,260
NWI F25	Community Service Obligations (Water & Sewerage) Grants for Pensioner Rebates (w11b + s12b)	\$'000	94

- Notes:
1. References to w (eg. s12) refer to item numbers within Special Schedules No. 5 & 6 of Council's Annual Financial Statements.
 2. The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.

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ABN 66 182 781 401

INDEPENDENT AUDIT REPORT
Report on the special purpose financial statements

To Bellingen Shire Council

SCOPE

We have audited the special purpose financial statements of Bellingen Shire Council for the year ended 30th June 2014 comprising the Statement by Councillors and Management, Income Statement of Business Activities, Balance Sheet by Business Activities, and Note 1 to the Financial Statements. The financial statements include the financial results of the business activities of the Council and the entities it controlled at the year's end or from time to time during the year.

Councils' responsibility for the financial statements

The Council is responsible for the preparation and fair presentation of the financial statements and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial statements, are appropriate to meet the requirements of the Division of Local Government and Council. The Councils' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the Council or the Division of Local Government. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

Knowledge with integrity

Liability limited by a scheme approved under the Professional Standards Legislation

page 16

The special purpose financial statements have been prepared for distribution to the Council and the Division of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council or the Division of Local Government or for any purpose other than for which the report was prepared.

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

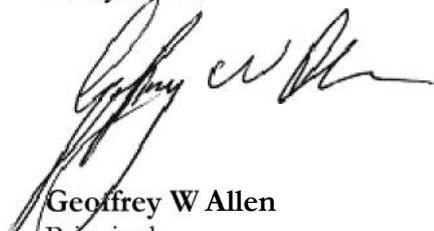
In our opinion, the Special Purpose Financial Statements of Bellingen Shire Council for the year ended 30th June 2014 are presented fairly, in all material respects, in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting.

BASIS OF ACCOUNTING

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describe the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the financial reporting requirements of the Division of Local Government. As a result, the financial statements may not be suitable for another purpose.

Forsyths

Forsyths Business Services Pty Ltd



Geoffrey W Allen
Principal

14th November 2014
92 Rusden Street Armidale

Bellingen Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2014

Bellingen Shire - Naturally Magic



Bellingen Shire Council

Special Schedules

for the financial year ended 30 June 2014

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¹ Special Schedules are not audited (with the exception of Special Schedule 9).

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.

Bellingen Shire Council

Special Schedule No. 1 - Net Cost of Services

for the financial year ended 30 June 2014

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Governance	228	-	-	(228)
Administration	4,729	349	-	(4,380)
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	1,093	468	314	(311)
Beach Control	163	-	-	(163)
Enforcement of Local Govt. Regulations	-	33	-	33
Animal Control	102	28	-	(74)
Other	49	-	-	(49)
Total Public Order & Safety	1,407	529	314	(564)
Health	8	26	-	18
Environment				
Noxious Plants and Insect/Vermin Control	134	52	-	(82)
Other Environmental Protection	740	355	26	(359)
Solid Waste Management	3,350	3,202	-	(148)
Street Cleaning	239	-	-	(239)
Drainage	-	-	-	-
Stormwater Management	273	-	-	(273)
Total Environment	4,736	3,609	26	(1,101)
Community Services and Education				
Administration & Education	231	10	-	(221)
Social Protection (Welfare)	-	-	-	-
Aged Persons and Disabled	264	250	-	(14)
Children's Services	144	18	-	(126)
Total Community Services & Education	639	278	-	(361)
Housing and Community Amenities				
Public Cemeteries	48	31	-	(17)
Public Conveniences	366	-	-	(366)
Street Lighting	95	-	-	(95)
Town Planning	662	266	-	(396)
Other Community Amenities	-	-	-	-
Total Housing and Community Amenities	1,171	297	-	(874)
Water Supplies	2,263	2,731	506	974
Sewerage Services	2,947	2,741	431	225

Bellingen Shire Council

Special Schedule No. 1 - Net Cost of Services (continued)

for the financial year ended 30 June 2014

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Recreation and Culture				
Public Libraries	592	55	-	(537)
Museums	26	-	-	(26)
Art Galleries	-	-	-	-
Community Centres and Halls	195	-	5	(190)
Performing Arts Venues	-	-	-	-
Other Performing Arts	-	-	-	-
Other Cultural Services	14	-	-	(14)
Sporting Grounds and Venues	-	-	-	-
Swimming Pools	359	7	33	(319)
Parks & Gardens (Lakes)	886	(12)	49	(849)
Other Sport and Recreation	-	-	-	-
Total Recreation and Culture	2,072	50	87	(1,935)
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction				
Building Control	287	3	-	(284)
Other Mining, Manufacturing & Construction	28	-	-	(28)
Total Mining, Manufacturing and Const.	315	3	-	(312)
Transport and Communication				
Urban Roads (UR) - Local	1,408	-	-	(1,408)
Urban Roads - Regional	-	-	-	-
Sealed Rural Roads (SRR) - Local	2,624	(151)	124	(2,651)
Sealed Rural Roads (SRR) - Regional	670	232	530	92
Unsealed Rural Roads (URR) - Local	2,770	599	2,069	(102)
Unsealed Rural Roads (URR) - Regional	16	-	-	(16)
Bridges on UR - Local	82	-	-	(82)
Bridges on SRR - Local	366	-	-	(366)
Bridges on URR - Local	230	-	-	(230)
Bridges on Regional Roads	106	-	-	(106)
Parking Areas	21	10	-	(11)
Footpaths	14	-	-	(14)
Aerodromes	-	-	-	-
Other Transport & Communication	2,946	3,825	-	879
Total Transport and Communication	11,253	4,515	2,723	(4,015)
Economic Affairs				
Camping Areas & Caravan Parks	30	22	-	(8)
Other Economic Affairs	354	143	-	(211)
Total Economic Affairs	384	165	-	(219)
Totals – Functions	32,152	15,293	4,087	(12,772)
General Purpose Revenues ⁽²⁾		7,896		7,896
Share of interests - joint ventures & associates using the equity method	-	-		-
NET OPERATING RESULT ⁽¹⁾	32,152	23,189	4,087	(4,876)

(1) As reported in the Income Statement

(2) Includes: Rates & Annual Charges (incl. Ex Gratia, excl. Water & Sewer), Non Capital General Purpose Grants, Interest on Investments (excl. Ext. Restricted Assets) & Interest on overdue Rates & Annual Charges

Bellingen Shire Council

Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)
for the financial year ended 30 June 2014

\$'000

Classification of Debt	Principal outstanding at beginning of the year			New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year		
	Current	Non Current	Total		From Revenue	Sinking Funds			Current	Non Current	Total
Loans (by Source)											
Commonwealth Government	-	-	-	-	-	-	-	-	-	-	-
Treasury Corporation	-	-	-	-	-	-	-	-	-	-	-
Other State Government	-	-	-	-	-	-	-	-	-	-	-
Public Subscription	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	161	4,925	5,086	-	136	-	-	441	174	4,776	4,950
Other	-	-	-	-	-	-	-	-	-	-	-
Total Loans	161	4,925	5,086	-	136	-	-	441	174	4,776	4,950
Total Debt	161	4,925	5,086	-	136	-	-	441	174	4,776	4,950

Notes: Excludes (i) Internal Loans & (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).

Bellingen Shire Council

Special Schedule No. 3 - Water Supply Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2014

\$'000	Actuals 2014	Actuals 2013
A Expenses and Income		
Expenses		
1. Management expenses		
a. Administration	616	592
b. Engineering and Supervision	143	235
2. Operation and Maintenance expenses		
- Dams & Weirs		
a. Operation expenses	-	-
b. Maintenance expenses	-	-
- Mains		
c. Operation expenses	54	64
d. Maintenance expenses	37	80
- Reservoirs		
e. Operation expenses	6	14
f. Maintenance expenses	5	26
- Pumping Stations		
g. Operation expenses (excluding energy costs)	-	2
h. Energy costs	205	158
i. Maintenance expenses	8	86
- Treatment		
j. Operation expenses (excluding chemical costs)	137	67
k. Chemical costs	39	34
l. Maintenance expenses	26	31
- Other		
m. Operation expenses	122	4
n. Maintenance expenses	85	29
o. Purchase of water	-	-
3. Depreciation expenses		
a. System assets	768	722
b. Plant and equipment	12	-
4. Miscellaneous expenses		
a. Interest expenses	-	-
b. Revaluation Decrements	-	-
c. Other expenses	-	84
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalents Dividends (actually paid)	-	13
5. Total expenses	2,263	2,241

Bellingen Shire Council

Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2014

\$'000	Actuals 2014	Actuals 2013
Income		
6. Residential charges		
a. Access (including rates)	532	537
b. Usage charges	1,736	1,607
7. Non-residential charges		
a. Access (including rates)	-	-
b. Usage charges	5	-
8. Extra charges	8	8
9. Interest income	389	324
10. Other income	30	36
11. Grants		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	53	39
c. Other grants	-	7
12. Contributions		
a. Developer charges	41	35
b. Developer provided assets	465	-
c. Other contributions	-	-
13. Total income	3,259	2,593
14. Gain (or loss) on disposal of assets	(11)	-
15. Operating Result	985	352
15a. Operating Result (less grants for acquisition of assets)	985	352

Bellingen Shire Council

Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2014

\$'000	Actuals 2014	Actuals 2013
B Capital transactions		
Non-operating expenditures		
16. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	121	141
b. New Assets for Growth	30	46
c. Renewals	65	122
d. Plant and equipment	71	41
17. Repayment of debt		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
18. Transfer to sinking fund	-	-
19. Totals	287	350
Non-operating funds employed		
20. Proceeds from disposal of assets	-	-
21. Borrowing utilised		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
22. Transfer from sinking fund	-	-
23. Totals	-	-
C Rates and charges		
24. Number of assessments		
a. Residential (occupied)	3,764	3,738
b. Residential (unoccupied, ie. vacant lot)	101	92
c. Non-residential (occupied)	350	352
d. Non-residential (unoccupied, ie. vacant lot)	10	19
25. Number of ETs for which developer charges were received	6 ET	5 ET
26. Total amount of pensioner rebates (actual dollars)	\$ 96,534	\$ 93,679

Bellingen Shire Council

Special Schedule No. 3 - Water Supply Cross Subsidies
for the financial year ended 30 June 2014

\$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
27. Annual charges			
a. Does Council have best-practice water supply annual charges and usage charges*?	<input type="checkbox"/>	<input type="checkbox"/>	
If Yes, go to 28a.			
If No, please report if council has removed land value from access charges (ie rates)?			
<p>NB. Such charges for both residential customers and non-residential customers comply with section 3.2 of Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.</p>			
b. Cross-subsidy from residential customers using less than allowance (page 25 of Guidelines)			<input type="text"/>
c. Cross-subsidy to non-residential customers (page 24 of Guidelines)			<input type="text"/>
d. Cross-subsidy to large connections in unmetered supplies (page 26 of Guidelines)			<input type="text"/>
28. Developer charges			
a. Has council completed a water supply Development Servicing** Plan?	<input type="checkbox"/>	<input type="checkbox"/>	
b. Total cross-subsidy in water supply developer charges for 2012/13 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
29. Disclosure of cross-subsidies			
Total of cross-subsidies (27b +27c + 27d + 28b)			<input type="text" value="-"/>

* Councils which have not yet implemented best practice water supply pricing should disclose cross-subsidies in items 27b, 27c and 27d above.

However, disclosure of cross-subsidies is **not** required where a Council has implemented best practice pricing and is phasing in such pricing over a period of 3 years.

Bellingen Shire Council

Special Schedule No. 4 - Water Supply Statement of Financial Position

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
as at 30 June 2014

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
30. Cash and investments			
a. Developer charges	4,232	-	4,232
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	10,252	-	10,252
31. Receivables			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	105	-	105
c. User Charges	479	-	479
d. Other	57	-	57
32. Inventories	13	-	13
33. Property, plant and equipment			
a. System assets	-	43,832	43,832
b. Plant and equipment	-	232	232
34. Other assets	-	-	-
35. Total assets	15,138	44,064	59,202
LIABILITIES			
36. Bank overdraft	-	-	-
37. Creditors	205	-	205
38. Borrowings			
a. Loans	-	-	-
b. Advances	-	-	-
c. Finance leases	-	-	-
39. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
40. Total liabilities	205	-	205
41. NET ASSETS COMMITTED	14,933	44,064	58,997
EQUITY			
42. Accumulated surplus			18,557
43. Asset revaluation reserve			40,440
44. TOTAL EQUITY			58,997
Note to system assets:			
45. Current replacement cost of system assets			56,425
46. Accumulated current cost depreciation of system assets			(12,593)
47. Written down current cost of system assets			43,832

Bellingen Shire Council

Special Schedule No. 5 - Sewerage Service Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2014

\$'000	Actuals 2014	Actuals 2013
A Expenses and Income		
Expenses		
1. Management expenses		
a. Administration	498	442
b. Engineering and Supervision	89	146
2. Operation and Maintenance expenses		
- Mains		
a. Operation expenses	67	34
b. Maintenance expenses	105	131
- Pumping Stations		
c. Operation expenses (excluding energy costs)	76	45
d. Energy costs	56	72
e. Maintenance expenses	94	162
- Treatment		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	246	153
g. Chemical costs	75	58
h. Energy costs	116	101
i. Effluent Management	30	12
j. Biosolids Management	221	151
k. Maintenance expenses	239	223
- Other		
l. Operation expenses	2	32
m. Maintenance expenses	17	8
3. Depreciation expenses		
a. System assets	952	898
b. Plant and equipment	-	-
4. Miscellaneous expenses		
a. Interest expenses	-	-
b. Revaluation Decrements	-	-
c. Other expenses	64	87
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalent Dividends (actually paid)	-	9
5. Total expenses	2,947	2,764

Bellingen Shire Council

Special Schedule No. 5 - Sewerage Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2014

\$'000	Actuals 2014	Actuals 2013
Income		
6. Residential charges (including rates)	2,373	2,194
7. Non-residential charges		
a. Access (including rates)	-	-
b. Usage charges	102	122
8. Trade Waste Charges		
a. Annual Fees	19	29
b. Usage charges	48	49
c. Excess mass charges	-	-
d. Re-inspection fees	-	-
9. Extra charges	-	-
10. Interest income	205	161
11. Other income	4	34
12. Grants		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	41	39
c. Other grants	-	-
13. Contributions		
a. Developer charges	41	47
b. Developer provided assets	120	-
c. Other contributions	270	-
14. Total income	<u>3,223</u>	<u>2,675</u>
15. Gain (or loss) on disposal of assets	(1)	-
16. Operating Result	<u>275</u>	<u>(89)</u>
16a. Operating Result (less grants for acquisition of assets)	275	(89)

Bellingen Shire Council

Special Schedule No. 5 - Sewerage Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2014

\$'000	Actuals 2014	Actuals 2013
B Capital transactions		
Non-operating expenditures		
17. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	427	419
b. New Assets for Growth	-	46
c. Renewals	300	84
d. Plant and equipment	42	51
18. Repayment of debt		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
19. Transfer to sinking fund	-	-
20. Totals	769	600
Non-operating funds employed		
21. Proceeds from disposal of assets	-	-
22. Borrowing utilised		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
23. Transfer from sinking fund	-	-
24. Totals	-	-
C Rates and charges		
25. Number of assessments		
a. Residential (occupied)	2,824	2,778
b. Residential (unoccupied, ie. vacant lot)	93	62
c. Non-residential (occupied)	257	241
d. Non-residential (unoccupied, ie. vacant lot)	9	7
26. Number of ETs for which developer charges were received	6 ET	6 ET
27. Total amount of pensioner rebates (actual dollars)	\$ 74,216	\$ 72,440

Bellingen Shire Council

Special Schedule No. 5 - Sewerage Cross Subsidies
for the financial year ended 30 June 2014

\$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
28. Annual charges			
a. Does Council have best-practice sewerage annual charges, usage charges and trade waste fees & charges*?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
If Yes, go to 29a.			
If No, please report if council has removed land value from access charges (ie rates)?	<input type="checkbox"/>	<input type="checkbox"/>	
NB. Such charges for both residential customers and non-residential customers comply with section 4.2 & 4.3 of the Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy to non-residential customers (page 45 of Guidelines)			<input type="text"/>
c. Cross-subsidy to trade waste discharges (page 46 of Guidelines)			<input type="text"/>
29. Developer charges			
a. Has council completed a sewerage Development Servicing** Plan?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
b. Total cross-subsidy in sewerage developer charges for 2012/13 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
30. Disclosure of cross-subsidies			
Total of cross-subsidies (28b + 28c + 29b)			<input type="text" value="-"/>

* Councils which have not yet implemented best practice sewer pricing & liquid waste pricing should disclose cross-subsidies in items 28b and 28c above.

However, disclosure of cross-subsidies is **not** required where a Council has implemented best practice sewerage and liquid waste pricing and is phasing in such pricing over a period of 3 years.

Bellingen Shire Council

Special Schedule No. 6 - Sewerage Service Statement of Financial Position

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
as at 30 June 2014

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
31. Cash and investments			
a. Developer charges	2,548	-	2,548
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	4,013	-	4,013
32. Receivables			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	236	-	236
c. User Charges	40	-	40
d. Other	44	-	44
33. Inventories	-	-	-
34. Property, plant and equipment			
a. System assets	-	38,849	38,849
b. Plant and equipment	-	347	347
35. Other assets	-	-	-
36. Total Assets	6,881	39,196	46,077
LIABILITIES			
37. Bank overdraft	-	-	-
38. Creditors	125	-	125
39. Borrowings			
a. Loans	-	-	-
b. Advances	-	-	-
c. Finance leases	-	-	-
40. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
41. Total Liabilities	125	-	125
42. NET ASSETS COMMITTED	6,756	39,196	45,952
EQUITY			
42. Accumulated surplus			8,494
44. Asset revaluation reserve			37,458
45. TOTAL EQUITY			45,952
Note to system assets:			
46. Current replacement cost of system assets			54,996
47. Accumulated current cost depreciation of system assets			(16,147)
48. Written down current cost of system assets			38,849

Bellingen Shire Council

Notes to Special Schedule No.'s 3 & 5

for the financial year ended 30 June 2014

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 & 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) incl. capital contributions for water supply or sewerage services received by Council under Section 565 of the Local Government Act.

Notes:

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

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

Bellingen Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets

as at 30 June 2014

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard ⁽¹⁾	Required Annual Maintenance ⁽²⁾	Actual Maintenance 2013/14 ⁽³⁾	Written Down Value (WDV) ⁽⁴⁾	Assets in Condition as a % of WDV ^{(4), (5)}				
						1	2	3	4	5
Buildings	Council Offices / Administration Centres	-	22	22	3,499	100%				0%
	Council Works Depot	-	26	26	5,321	96%	4%			0%
	Council Public Halls	-	4	4	6,363	96%	4%			0%
	Public Order & Safety	-	16	16	4,319	96%	4%			0%
	Childcare	-	-	-	4,184	95%	5%			0%
	Libraries	-	5	5	1,620	100%				0%
	Cultural Facilities	-	1	1	741	100%				0%
	Amenities	-	12	12	2,309	96%	4%			0%
	Recreation	50	7	7	2,794	54%	40%	5%	1%	0%
	Other Buildings	-	8	8	1,031	88%	12%			0%
	Specialised Buildings	-	11	11	1,341	100%				0%
sub total		50	112	112	33,522	93.0%	6.5%	0.4%	0.1%	0.0%
Other Structures	Swimming Pools	300	11	11	1,135	66%		5%	29%	0%
	Other Open Space / Recreation	-	7	7	3,092	10%	5%	70%	15%	0%
	Other Infrastructure	-			1,023	54%	5%	22%	19%	0%
	sub total	300	18	18	5,250	30.7%	3.9%	46.6%	18.8%	0.0%
Roads	Sealed Roads	8,000	1,800	933	102,417	5%	70%	20%	5%	0%
	Unsealed Roads	1,000	400	231	8,927	0%	30%	70%	0%	0%
	Bridges	3,000	400	238	20,213	5%	20%	70%	5%	0%
	Footpaths	30	14	14	2,729	0%	70%	30%	0%	0%
	Kerb and Gutter	-	-	-	7,389	0%	95%	5%	0%	0%
	Carparks	50	5	5	255	0%	0%	100%	0%	0%
	sub total	12,080	2,619	1,421	141,930	4.3%	61.5%	29.8%	4.3%	0.0%

Bellingen Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
as at 30 June 2014

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard ⁽¹⁾	Required Annual Maintenance ⁽²⁾	Actual Maintenance 2013/14 ⁽³⁾	Written Down Value (WDV) ⁽⁴⁾	Assets in Condition as a % of WDV ^{(4), (5)}				
						1	2	3	4	5
Water Supply Network	Storages	-	5	5	7,241		80%	20%		0%
	Mains	200	37	37	29,849	10%	70%	18%	2%	0%
	Pumping Station/s	-	8	8	651		100%			0%
	Headworks	-	26	26	3,799		100%			0%
	sub total	200	76	76	41,540	7.2%	75.0%	16.4%	1.4%	0.0%
Sewerage Network	Mains	500	105	105	22,571	10%	60%	20%	10%	0%
	Pumping Station/s	250	94	94	4,738	5%	80%	10%	5%	0%
	Treatment	8,000	239	239	6,201		67%	0%		33%
	sub total	8,750	438	438	33,510	7.4%	64.1%	14.9%	7.4%	6.1%
Stormwater Drainage	All Drainage	-	28	28	14,750			100%		0%
	sub total	-	28	28	14,750	0.0%	0.0%	100.0%	0.0%	0.0%
	TOTAL - ALL ASSETS	21,380	3,291	2,093	270,502	16.4%	52.6%	26.4%	3.8%	0.8%

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
as at 30 June 2014

Notes:

- (1). Satisfactory is defined as "satisfying expectations or needs, leaving no room for complaint, causing satisfaction, adequate".
The estimated cost to bring assets to a satisfactory standard is the amount of money that is required to be spent on an asset to ensure that it is in a satisfactory standard.
This estimated cost should not include any planned enhancements (ie.to heighten, intensify or improve the facilities).
- (2). Required Annual Maintenance is "what should be spent to maintain assets in a satisfactory standard.
- (3). Actual Maintenance is what has been spent in the current year to maintain the assets.
Actual Maintenance may be higher or lower than the required annual maintenance due to the timing of when the maintenance actually occurs.
- (4). Written Down Value is in accordance with Note 9 of Council's General Purpose Financial Statements

(5). **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

Bellingen Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued) for the financial year ended 30 June 2014

\$ '000	Amounts 2014	Indicator 2014
Infrastructure Asset Performance Indicators Consolidated		
1. Building and Infrastructure Renewals Ratio		
Asset Renewals (Building and Infrastructure) ⁽¹⁾	<u>2,029</u>	26.94%
Depreciation, Amortisation & Impairment	<u>7,532</u>	
2. Infrastructure Backlog Ratio		
Estimated Cost to bring Assets to a Satisfactory Condition	<u>21,380</u>	0.08
Total value ⁽²⁾ of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	<u>272,140</u>	
3. Asset Maintenance Ratio		
Actual Asset Maintenance	<u>2,093</u>	0.64
Required Asset Maintenance	<u>3,291</u>	
4. Capital Expenditure Ratio		
Annual Capital Expenditure	<u>4,588</u>	0.51
Annual Depreciation	<u>9,032</u>	

Notes

⁽¹⁾ Asset Renewals represent the replacement &/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. Asset Renewals include building and infrastructure assets only.

⁽²⁾ Written down value

Bellinghen Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
for the financial year ended 30 June 2014

\$ '000	Water 2014	Sewer 2014	General ⁽¹⁾ 2014
Infrastructure Asset Performance Indicators By Fund			
1. Building and Infrastructure Renewals Ratio			
<u>Asset Renewals (Building and Infrastructure) ⁽¹⁾</u>	8.67%	34.68%	28.12%
Depreciation, Amortisation & Impairment			
prior period:	38.00%	24.00%	56.00%
2. Infrastructure Backlog Ratio			
<u>Estimated Cost to bring Assets to a Satisfactory Condition</u>	0.00	0.26	0.06
Total value ⁽³⁾ of Infrastructure, Building, Other Structures & Depreciable Land Improvement Assets			
prior period:	0.31	0.53	0.08
3. Asset Maintenance Ratio			
<u>Actual Asset Maintenance</u>	1.00	1.00	0.57
Required Asset Maintenance			
prior period:	0.69	1.13	1.13
4. Capital Expenditure Ratio			
<u>Annual Capital Expenditure</u>	0.37	0.81	0.48
Annual Depreciation			
prior period:	0.48	0.67	0.90

Notes

⁽¹⁾ General Fund refers to all of Council's activities except for its Water & Sewer activities which are listed separately.

⁽²⁾ Asset Renewals represent the replacement &/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. Asset Renewals include building and infrastructure assets only.

⁽³⁾ Written down value

Bellingen Shire Council

Special Schedule No. 8 - Financial Projections

as at 30 June 2014

\$'000	Actual ⁽¹⁾ 13/14	Forecast ⁽³⁾ 14/15	Forecast ⁽³⁾ 15/16	Forecast ⁽³⁾ 16/17	Forecast ⁽³⁾ 17/18	Forecast ⁽³⁾ 18/19	Forecast ⁽³⁾ 19/20	Forecast ⁽³⁾ 20/21	Forecast ⁽³⁾ 21/22	Forecast ⁽³⁾ 22/23	Forecast ⁽³⁾ 23/24
(i) OPERATING BUDGET											
Income from continuing operations	27,276	24,358	24,164	24,822	25,213	26,220	26,614	27,531	28,876	28,895	29,460
Expenses from continuing operations	32,152	29,564	29,775	30,354	30,931	31,792	32,330	33,025	34,076	34,821	35,573
Operating Result from Continuing Operations	(4,876)	(5,206)	(5,611)	(5,532)	(5,718)	(5,572)	(5,716)	(5,494)	(5,200)	(5,926)	(6,113)
(ii) CAPITAL BUDGET											
New Capital Works ⁽²⁾	821	573	318	348	388	357	2,717	1,212	223	232	178
Replacement/Refurbishment of Existing Assets	6,169	3,433	2,550	2,424	2,325	2,886	2,324	2,511	2,632	2,331	2,174
Total Capital Budget	6,990	4,006	2,868	2,772	2,713	3,243	5,041	3,723	2,855	2,563	2,352
Funded by:											
– Loans	-	-	-	-	-	-	-	-	-	-	-
– Asset sales	601	624	537	534	306	623	383	993	1,291	572	350
– Reserves	174	174	180	188	195	204	212	221	231	242	252
– Grants/Contributions	4,004	1,155	797	865	865	865	865	865	865	865	865
– Recurrent revenue	2,211	2,053	1,354	1,185	1,347	1,551	3,581	1,644	468	884	885
– Other	-	-	-	-	-	-	-	-	-	-	-
	6,990	4,006	2,868	2,772	2,713	3,243	5,041	3,723	2,855	2,563	2,352

Notes:

(1) From 13/14 Income Statement.

(2) New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc.

(3) Financial projections should be in accordance with Council's Integrated Planning and Reporting framework.

Bellingen Shire Council

Special Schedule No. 9 - Permissible Income Calculation

for the financial year ended 30 June 2015

\$'000		Calculation 2013/14	Calculation 2014/15
Notional General Income Calculation ⁽¹⁾			
Last Year Notional General Income Yield	a	5,692	5,890
Plus or minus Adjustments ⁽²⁾	b	14	(1)
Notional General Income	c	5,706	5,889
Permissible Income Calculation			
Special variation percentage ⁽³⁾	d	0.00%	11.80%
or Rate peg percentage	e	3.40%	0.00%
or Crown land adjustment incl. rate peg percentage	f	0.00%	0.00%
less expiring Special variation amount	g	-	-
plus Special variation amount	h = c x d	-	694.90
or plus Rate peg amount	i = c x e	194	-
or plus Crown land adjustment and rate peg amount	j = c x f	-	-
sub-total	k = (c+g+h+i+j)	5,900	6,584
plus (or minus) last year's Carry Forward Total	l	(1)	8
less Valuation Objections claimed in the previous year	m	(1)	-
sub-total	n = (l + m)	(2)	8
Total Permissible income	o = k + n	5,898	6,592
less Notional General Income Yield	p	5,890	6,586
Catch-up or (excess) result	q = o - p	8	6
plus Income lost due to valuation objections claimed ⁽⁴⁾	r	-	1
less Unused catch-up ⁽⁵⁾	s	-	-
Carry forward to next year	t = q + r - s	8	7

Notes

- ¹ The Notional General Income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- ² Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called "supplementary valuations" as defined in the Valuation of Land Act 1916.
- ³ The Special Variation Percentage is inclusive of the Rate Peg percentage and where applicable crown land adjustment.
- ⁴ Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- ⁵ Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.

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BELLINGEN SHIRE COUNCIL INDEPENDENT AUDITORS' REPORT - SPECIAL SCHEDULE No. 9

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 9) of Bellingen Shire Council for the year ending 30 June 2015.

Responsibility of Council for Special Schedule No. 9

The Council is responsible for preparation and fair presentation of Special No. 9 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 22. 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. 9 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. 9 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. 9 and is free from material misstatement.

An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in Special Schedule No. 9. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement on Special Schedule No. 9, 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. 9.

Knowledge with integrity

Liability limited by a scheme approved under the Professional Standards Legislation

ARMIDALE | COONABARABRAN | GUNNEDAH | TAMWORTH

Bellingen Shire Council

INDEPENDENT AUDITORS' REPORT - SPECIAL SCHEDULE No. 9

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. 9 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

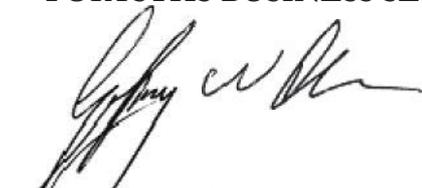
In our opinion Special Schedule No. 9 of Bellingen Shire Council for the year ending 30 June 2015 is properly drawn up in all material respects, in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

Basis of Accounting

Without modifying our opinion, we advise that the Special Schedule No. 9 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. 9 may not be suitable for another purpose

Forsyths

FORYSTHS BUSINESS SERVICES PTY LTD



Geoffrey W Allen
Principal

Dated at Armidale this 14 November 2014