



Tweed Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2015

"TOGETHER FORWARD"



TWEED
SHIRE COUNCIL

Tweed Shire Council

Special Schedules

for the financial year ended 30 June 2015

Contents

Page

Special Schedules¹

- Special Schedule No. 1	Net Cost of Services	2
- Special Schedule No. 2(a)	Statement of Long Term Debt (all purposes)	4
- Special Schedule No. 2(b)	Statement of Internal Loans (Sect. 410(3) LGA 1993)	5
- Special Schedule No. 3	Water Supply Operations - incl. Income Statement	6
- Special Schedule No. 4	Water Supply - Statement of Financial Position	10
- Special Schedule No. 5	Sewerage Service Operations - incl. Income Statement	11
- Special Schedule No. 6	Sewerage Service - Statement of Financial Position	15
- Notes to Special Schedules No. 3 & 5		16
- Special Schedule No. 7	Report on Infrastructure Assets (as at 30 June 2015)	17
- Special Schedule No. 8	Financial Projections	n/a
- Special Schedule No. 9	Permissible Income Calculation	23

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.

Tweed Shire Council

Special Schedule No. 1 - Net Cost of Services
for the financial year ended 30 June 2015

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Governance	2,815	1	-	(2,814)
Administration	17,504	2,099	9,490	(5,915)
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	1,340	339	8	(993)
Beach Control	692	24	-	(668)
Enforcement of Local Govt. Regulations	1,166	415	-	(751)
Animal Control	313	254	-	(59)
Other	58	-	-	(58)
Total Public Order & Safety	3,569	1,032	8	(2,529)
Health	1,596	385	-	(1,211)
Environment				
Noxious Plants and Insect/Vermin Control	492	-	-	(492)
Other Environmental Protection	4,363	1,363	-	(3,000)
Solid Waste Management	14,428	19,199	1,890	6,661
Street Cleaning	-	-	-	-
Drainage	5,536	142	3,566	(1,828)
Stormwater Management	-	-	-	-
Total Environment	24,819	20,704	5,456	1,341
Community Services and Education				
Administration & Education	1,770	-	-	(1,770)
Social Protection (Welfare)	378	1,374	-	996
Aged Persons and Disabled	430	55	-	(375)
Children's Services	11	4	250	243
Total Community Services & Education	2,589	1,433	250	(906)
Housing and Community Amenities				
Public Cemeteries	1,041	632	35	(374)
Public Conveniences	839	-	90	(749)
Street Lighting	868	152	-	(716)
Town Planning	4,206	1,430	-	(2,776)
Other Community Amenities	-	-	-	-
Total Housing and Community Amenities	6,954	2,214	125	(4,615)
Water Supplies	22,310	23,152	5,835	6,677
Sewerage Services	28,141	30,281	5,216	7,356

Tweed Shire Council

Special Schedule No. 1 - Net Cost of Services (continued)

for the financial year ended 30 June 2015

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Recreation and Culture				
Public Libraries	2,555	245	24	(2,286)
Museums	866	74	-	(792)
Art Galleries	1,904	640	1,121	(143)
Community Centres and Halls	622	376	683	437
Performing Arts Venues	-	-	-	-
Other Performing Arts	-	-	-	-
Other Cultural Services	121	2	-	(119)
Sporting Grounds and Venues	1,899	505	3,534	2,140
Swimming Pools	4,166	1,535	40	(2,591)
Parks & Gardens (Lakes)	7,063	16	1,841	(5,206)
Other Sport and Recreation	1,487	42	10	(1,435)
Total Recreation and Culture	20,683	3,435	7,253	(9,995)
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction				
Building Control	1,716	1,893	-	177
Other Mining, Manufacturing & Construction	167	3	-	(164)
Total Mining, Manufacturing and Const.	1,883	1,896	-	13
Transport and Communication				
Urban Roads (UR) - Local	17,657	951	8,744	(7,962)
Urban Roads - Regional	23	-	-	(23)
Sealed Rural Roads (SRR) - Local	815	2,180	152	1,517
Sealed Rural Roads (SRR) - Regional	1,845	1,819	320	294
Unsealed Rural Roads (URR) - Local	2,578	(13)	3	(2,588)
Unsealed Rural Roads (URR) - Regional	-	-	-	-
Bridges on UR - Local	754	-	-	(754)
Bridges on SRR - Local	2,633	(3)	863	(1,773)
Bridges on URR - Local	14	-	-	(14)
Bridges on Regional Roads	71	-	-	(71)
Parking Areas	307	84	-	(223)
Footpaths	1,657	-	943	(714)
Aerodromes	26	25	-	(1)
Other Transport & Communication	2,875	542	824	(1,509)
Total Transport and Communication	31,255	5,585	11,849	(13,821)
Economic Affairs				
Camping Areas & Caravan Parks	6,671	8,656	-	1,985
Other Economic Affairs	1,381	984	-	(397)
Total Economic Affairs	8,052	9,640	-	1,588
Totals – Functions	172,170	101,857	45,482	(24,831)
General Purpose Revenues ⁽²⁾		67,517		67,517
Share of interests - joint ventures & associates using the equity method	-	-		-
NET OPERATING RESULT ⁽¹⁾	172,170	169,374	45,482	42,686

(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

Tweed Shire Council

Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)

for the financial year ended 30 June 2015

\$'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	1,812	9,572	11,384	-	1,811	-	-	64	1,812	7,761	9,573
Public Subscription	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	6,042	170,327	176,369	6,046	6,042	-	-	12,981	5,929	170,444	176,373
Other	-	-	-	-	-	-	-	-	-	-	-
Total Loans	7,854	179,899	187,753	6,046	7,853	-	-	13,045	7,741	178,205	185,946
Other Long Term Debt											
Ratepayers Advances	-	-	-	-	-	-	-	-	-	-	-
Government Advances	-	-	-	-	-	-	-	-	-	-	-
Finance Leases	-	-	-	-	-	-	-	-	-	-	-
Deferred Payments	-	-	-	-	-	-	-	-	-	-	-
Total Long Term Debt	-	-	-	-	-	-	-	-	-	-	-
Total Debt	7,854	179,899	187,753	6,046	7,853	-	-	13,045	7,741	178,205	185,946

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).

Tweed Shire Council

Special Schedule No. 2(b) - Statement of Internal Loans [Section 410(3) LGA 1993]

for the financial year ended 30 June 2015

\$'000

Summary of Internal Loans

Borrower (by purpose)	Amount originally raised	Total repaid during the year (Principal & Interest)	Principal Outstanding at end of year
General	430,000	14,706	430,000
Water			
Sewer			
Domestic Waste Management			
Gas			
Other			
Totals	430,000	14,706	430,000

Note: The summary of Internal Loans (above) represents the total of Council's Internal Loans categorised according to the borrower.

Details of Individual Internal Loans

Borrower (by purpose)	Lender (by purpose)	Date of Minister's Approval	Date Raised	Term (years)	Dates of Maturity	Rate of Interest	Amount Originally raised	Total repaid during year (Princ. & Int.)	Principal Outstanding at end of year
Records Facility	DWM	28/03/2012	30/06/2013			3.42%	430,000	14,706	430,000
Totals							430,000	14,706	430,000

Tweed 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 2015

\$'000	Actuals 2015	Actuals 2014
A Expenses and Income Expenses		
1. Management expenses		
a. Administration	4,289	4,010
b. Engineering and Supervision	1,681	1,612
2. Operation and Maintenance expenses		
- Dams & Weirs		
a. Operation expenses	368	333
b. Maintenance expenses	91	110
- Mains		
c. Operation expenses	134	120
d. Maintenance expenses	898	1,036
- Reservoirs		
e. Operation expenses	172	135
f. Maintenance expenses	166	76
- Pumping Stations		
g. Operation expenses (excluding energy costs)	181	132
h. Energy costs	777	1,181
i. Maintenance expenses	197	121
- Treatment		
j. Operation expenses (excluding chemical costs)	1,290	1,319
k. Chemical costs	930	1,014
l. Maintenance expenses	370	276
- Other		
m. Operation expenses	554	616
n. Maintenance expenses	1,377	1,474
o. Purchase of water	46	42
3. Depreciation expenses		
a. System assets	7,108	6,899
b. Plant and equipment	37	34
4. Miscellaneous expenses		
a. Interest expenses	4,609	4,725
b. Revaluation Decrements	-	-
c. Other expenses	657	653
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalents Dividends (actually paid)	105	104
5. Total expenses	26,037	26,022

Tweed 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 2015

\$'000	Actuals 2015	Actuals 2014
Income		
6. Residential charges		
a. Access (including rates)	4,250	4,008
b. Usage charges	11,690	13,209
7. Non-residential charges		
a. Access (including rates)	532	481
b. Usage charges	4,634	5,294
8. Extra charges	111	83
9. Interest income	963	1,179
10. Other income	1,119	1,066
10a. Aboriginal Communities Water and Sewerage Program	-	-
11. Grants		
a. Grants for acquisition of assets	4	917
b. Grants for pensioner rebates	379	376
c. Other grants	-	-
12. Contributions		
a. Developer charges	4,219	5,062
b. Developer provided assets	1,612	2,825
c. Other contributions	204	-
13. Total income	29,717	34,500
14. Gain (or loss) on disposal of assets	(322)	(805)
15. Operating Result	3,358	7,673
15a. Operating Result (less grants for acquisition of assets)	3,354	6,756

Tweed 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 2015

\$'000	Actuals 2015	Actuals 2014
B Capital transactions		
Non-operating expenditures		
16. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	715	4,997
b. New Assets for Growth	746	116
c. Renewals	469	3,515
d. Plant and equipment	25	-
e. Buildings	-	280
17. Repayment of debt		
a. Loans	1,185	1,068
b. Advances	-	-
c. Finance leases	-	-
18. Transfer to sinking fund	-	-
19. Totals	3,140	9,976
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)	32,091	32,096
b. Residential (unoccupied, ie. vacant lot)	1,444	1,059
c. Non-residential (occupied)	1,698	1,645
d. Non-residential (unoccupied, ie. vacant lot)	192	192
25. Number of ETs for which developer charges were received	331 ET	401 ET
26. Total amount of pensioner rebates (actual dollars)	\$ 774,680	\$ 706,492

Tweed Shire Council

Special Schedule No. 3 - Water Supply Cross Subsidies

for the financial year ended 30 June 2015

\$'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 2014/15 (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.

Tweed 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 2015

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
30. Cash and investments			
a. Developer charges	2,651	-	2,651
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	20,944	12,000	32,944
31. Receivables			
a. Specific purpose grants	2	-	2
b. Rates and Availability Charges	250	-	250
c. User Charges	2,381	-	2,381
d. Other	430	-	430
32. Inventories	-	-	-
33. Property, plant and equipment			
a. System assets	-	494,987	494,987
b. Plant and equipment	-	47	47
34. Other assets	27	-	27
35. Total assets	26,685	507,034	533,719
LIABILITIES			
36. Bank overdraft	-	-	-
37. Creditors	498	-	498
38. Borrowings			
a. Loans	1,258	63,545	64,803
b. Advances	-	-	-
c. Finance leases	-	-	-
39. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
40. Total liabilities	1,756	63,545	65,301
41. NET ASSETS COMMITTED	24,929	443,489	468,418
EQUITY			
42. Accumulated surplus			191,624
43. Asset revaluation reserve			276,794
44. TOTAL EQUITY			468,418
Note to system assets:			
45. Current replacement cost of system assets			661,023
46. Accumulated current cost depreciation of system assets			(166,036)
47. Written down current cost of system assets			494,987

Tweed 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 2015

\$'000	Actuals 2015	Actuals 2014
A Expenses and Income		
Expenses		
1. Management expenses		
a. Administration	3,744	3,614
b. Engineering and Supervision	1,550	1,527
2. Operation and Maintenance expenses		
- Mains		
a. Operation expenses	203	186
b. Maintenance expenses	1,446	1,287
- Pumping Stations		
c. Operation expenses (excluding energy costs)	664	616
d. Energy costs	748	781
e. Maintenance expenses	1,656	1,670
- Treatment		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	1,806	1,772
g. Chemical costs	649	538
h. Energy costs	1,225	1,418
i. Effluent Management	44	58
j. Biosolids Management	859	723
k. Maintenance expenses	1,159	700
- Other		
l. Operation expenses	301	358
m. Maintenance expenses	58	96
3. Depreciation expenses		
a. System assets	10,326	9,982
b. Plant and equipment	110	120
4. Miscellaneous expenses		
a. Interest expenses	2,978	3,160
b. Revaluation Decrements	-	-
c. Other expenses	718	671
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalent Dividends (actually paid)	100	99
5. Total expenses	30,344	29,376

Tweed Shire Council

Special Schedule No. 5 - Sewerage Service Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
Income		
6. Residential charges (including rates)	22,666	21,054
7. Non-residential charges		
a. Access (including rates)	1,995	1,893
b. Usage charges	-	-
8. Trade Waste Charges		
a. Annual Fees	68	66
b. Usage charges	2,456	2,138
c. Excess mass charges	-	-
d. Re-inspection fees	-	-
9. Extra charges	91	98
10. Interest income	2,111	1,897
11. Other income	643	785
11a. Aboriginal Communities Water & Sewerage Program	-	-
12. Grants		
a. Grants for acquisition of assets	-	320
b. Grants for pensioner rebates	366	363
c. Other grants	-	-
13. Contributions		
a. Developer charges	2,205	3,952
b. Developer provided assets	2,976	5,386
c. Other contributions	-	-
14. Total income	<u>35,577</u>	<u>37,952</u>
15. Gain (or loss) on disposal of assets	(1,861)	(613)
16. Operating Result	<u>3,372</u>	<u>7,963</u>
16a. Operating Result (less grants for acquisition of assets)	3,372	7,643

Tweed Shire Council

Special Schedule No. 5 - Sewerage Service Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
B Capital transactions		
Non-operating expenditures		
17. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	238	496
b. New Assets for Growth	1,575	1,061
c. Renewals	3,225	2,895
d. Plant and equipment	4	-
e. Buildings	-	22
18. Repayment of debt		
a. Loans	3,049	3,102
b. Advances	-	-
c. Finance leases	-	-
19. Transfer to sinking fund	-	-
20. Totals	8,091	7,576
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)	30,661	30,601
b. Residential (unoccupied, ie. vacant lot)	1,389	1,018
c. Non-residential (occupied)	1,593	1,602
d. Non-residential (unoccupied, ie. vacant lot)	162	153
26. Number of ETs for which developer charges were received	353 ET	434 ET
27. Total amount of pensioner rebates (actual dollars)	\$ 664,006	\$ 659,686

Tweed Shire Council

Special Schedule No. 5 - Sewerage Service Cross Subsidies

for the financial year ended 30 June 2015

\$'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 2014/15 (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.

Tweed 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 2015

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
31. Cash and investments			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	6,258	-	6,258
e. Sinking fund	-	-	-
f. Other	25,241	30,000	55,241
32. Receivables			
a. Specific purpose grants	1	-	1
b. Rates and Availability Charges	1,204	-	1,204
c. User Charges	315	-	315
d. Other	917	-	917
33. Inventories	-	-	-
34. Property, plant and equipment			
a. System assets	-	603,979	603,979
b. Plant and equipment	-	311	311
35. Other assets	26	-	26
36. Total Assets	33,962	634,290	668,252
LIABILITIES			
37. Bank overdraft	-	-	-
38. Creditors	581	-	581
39. Borrowings			
a. Loans	2,086	31,800	33,886
b. Advances	-	-	-
c. Finance leases	-	-	-
40. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
41. Total Liabilities	2,667	31,800	34,467
42. NET ASSETS COMMITTED	31,295	602,490	633,785
EQUITY			
42. Accumulated surplus			232,038
44. Asset revaluation reserve			401,747
45. TOTAL EQUITY			633,785
Note to system assets:			
46. Current replacement cost of system assets			816,738
47. Accumulated current cost depreciation of system assets			(212,759)
48. Written down current cost of system assets			603,979

Tweed Shire Council

Notes to Special Schedule No.s 3 & 5 for the financial year ended 30 June 2015

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 used when I,PP&E decreases in FV.

Impairment Losses (item 4d & 4e of Special Schedules 3 and 5) is 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 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 (items 6a, 6b and item 6 of Special Schedules 3 and 5 respectively) includes all income from residential charges. Item 6 of Schedule 3 is separated into 6a Access Charges (including rates if applicable) and 6b Usage Charges.

Non-residential charges (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 is 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).

Tweed Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets

as at 30 June 2015

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV				
						1	2	3	4	5
						refer (4) & (5)				
Buildings refer (6)	Council Offices / Administration Centres	2,672	221	201	27,692	4%	16%	77%	2%	1%
	Council Works Depot	728	137	132	16,039	30%	38%	21%	10%	2%
	Council Public Halls	396	141	139	22,387	46%	29%	25%	0%	0%
	Libraries	107	14	14	3,026	8%	43%	45%	3%	0%
	Cultural Facilities	691	177	168	13,601	38%	27%	24%	9%	3%
	Other Buildings	902	300	291	30,286	25%	35%	33%	7%	0%
	Childcare, Aged & Disabled	532	18	14	1,962	37%	24%	35%	3%	1%
	Specialised Buildings	142	183	179	6,315	0%	26%	64%	9%	1%
	sub total	6,170	1,191	1,138	121,308	24.7%	28.4%	41.0%	5.2%	0.8%
Other Structures	Other Structures	144	1	1	349	75%	4%	4%	16%	1%
	sub total	144	1	1	349	75.0%	4.0%	4.0%	16.0%	1.0%
Roads	Sealed Roads Surface	26,116	2,249	1,739	89,022	51%	14%	29%	6%	0%
	Sealed Roads Structure	14,422	1,210	1,176	494,694	45%	49%	5%	1%	0%
	Unsealed Roads	978	494	973	7,184	60%	12%	26%	2%	0%
	Bridges	833	362	360	157,373	85%	14%	1%		0%
	Footpaths	805	596	581	30,706	72%	6%	16%	6%	0%
	Kerb and Gutter	2,763	88	82	43,652	82%	11%	5%	2%	0%
	Street Furniture	97	83	82	9,544	94%	5%	1%		0%
	Car Parks	415	4	4	7,931	86%	6%	6%	2%	0%
	sub total	46,429	5,086	4,997	840,106	57.1%	34.0%	7.3%	1.6%	0.0%

Tweed Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

as at 30 June 2015

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV				
						1	2	3	4	5
						refer (4) & (5)				
Water Supply Network	Dams/Weirs	-	148	86	70,120	98%	2%			0%
	Mains	9,763	1,472	1,026	239,583	80%	17%	3%		0%
	Reservoirs	554	89	166	39,087	29%	47%	24%		0%
	Pumping Station/s	487	158	197	14,888	54%	38%	8%		0%
	Treatment	20	456	370	82,210	92%	8%			0%
	Buildings	12	-	-	9,700	89%	10%	1%		0%
	sub total	10,836	2,323	1,845	455,588	79.9%	16.2%	3.9%	0.0%	0.0%
Sewerage Network	Mains	7,874	1,566	1,446	294,381	77%	20%	3%		0%
	Pumping Station/s	1,651	1,729	1,656	67,784	53%	31%	16%		0%
	Treatment	649	1,193	1,145	181,471	81%	18%	1%		0%
	Buildings	22	-	-	6,196	90%	9%	1%		0%
	sub total	10,196	4,488	4,247	549,832	75.5%	20.6%	3.9%	0.0%	0.0%
Stormwater Drainage	All Infrastructure	28,320	1,653	1,390	150,176	32%	34%	30%	1%	3%
	sub total	28,320	1,653	1,390	150,176	32.0%	34.0%	30.0%	1.0%	3.0%
Open Space/ Recreational Assets	Swimming Pools refer (6)	11	61	60	3,551	3%	96%	1%		0%
	Recreation Other Structures	1,803	512	477	24,683	49%	21%	29%	1%	0%
	sub total	1,814	573	537	28,234	43.2%	30.4%	25.5%	0.9%	0.0%
Other Infrastructure Assets	Other Structures	1,545	147	133	8,629	35%	62%	3%		0%
	sub total	1,545	147	133	8,629	35.0%	62.0%	3.0%	0.0%	0.0%

Tweed Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

as at 30 June 2015

\$'000										
Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV				
						1	2	3	4	5
						refer (4) & (5)				
	TOTAL - ALL ASSETS	105,454	15,462	14,288	2,154,222	62.8%	26.5%	9.4%	1.0%	0.3%

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 |
- (6). Tweed Coast Holiday Parks assets are managed outside of Council's Asset Management Strategy, Policy and Plans and therefore this data is not applicable.

Tweed Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
for the financial year ended 30 June 2015

\$ '000	Amounts	Indicator	Prior Periods	
	2015	2015	2014	2013
Infrastructure Asset Performance Indicators Consolidated				
1. Building, Infrastructure & Other Structures Renewals Ratio				
Asset Renewals				
<u>(Building, Infrastructure & Other Structures) ⁽¹⁾</u>	<u>16,511</u>	39.59%	73.48%	33.16%
Depreciation, Amortisation & Impairment	<u>41,705</u>			
2. Infrastructure Backlog Ratio				
Estimated Cost to bring Assets to a Satisfactory Condition	<u>105,454</u>	5.23%	5.68%	3.00%
Total value ⁽²⁾ of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	<u>2,017,016</u>			
3. Asset Maintenance Ratio				
Actual Asset Maintenance	<u>14,288</u>	0.92	0.82	0.67
Required Asset Maintenance	<u>15,462</u>			
4. Capital Expenditure Ratio				
Annual Capital Expenditure	<u>31,121</u>	0.69	0.91	1.00
Annual Depreciation	<u>45,043</u>			

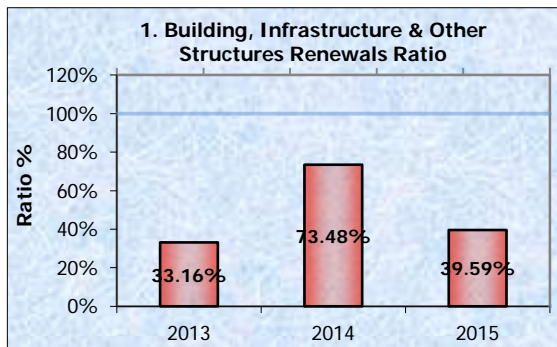
Notes

⁽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, infrastructure & Other Structure assets only.

⁽²⁾ Written Down Value

Tweed Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued) for the financial year ended 30 June 2015



Purpose of Asset Renewals Ratio

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

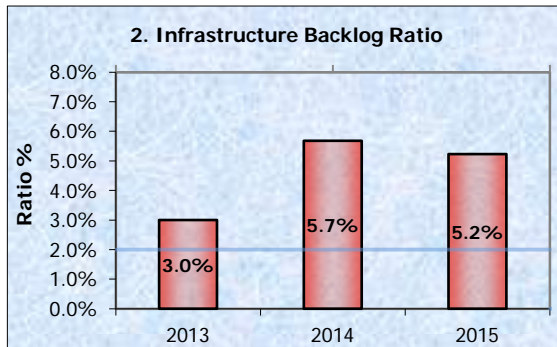
Commentary on 2014/15 Result

2014/15 Ratio 39.59%

Council is currently not spending sufficient funds on asset renewals to match the consumption (depreciation) of assets

Benchmark: Minimum $\geq 100.00\%$
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

Ratio is within Benchmark
Ratio is outside Benchmark



Purpose of Infrastructure Backlog Ratio

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

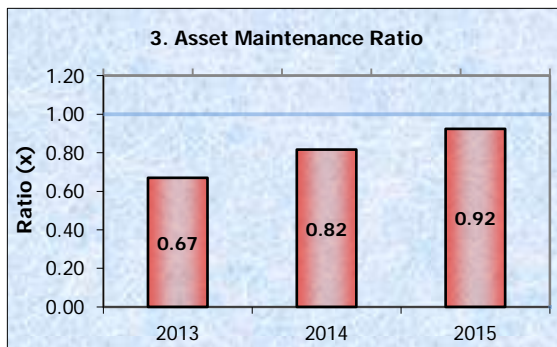
Commentary on 2014/15 Result

2014/15 Ratio 5.23%

Council is currently not spending sufficient funds to bring all its infrastructure assets to a satisfactory standard

Benchmark: Maximum < 0.02
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

Ratio is within Benchmark
Ratio is outside Benchmark



Purpose of Asset Maintenance Ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the Infrastructure Backlog growing.

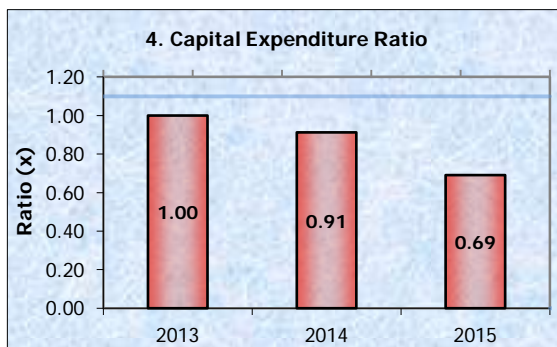
Commentary on 2014/15 Result

2014/15 Ratio 0.92 x

Council is currently not spending sufficient funds on asset maintenance to ensure their condition does not deteriorate below a satisfactory level

Benchmark: Minimum > 1.00
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

Ratio is within Benchmark
Ratio is outside Benchmark



Purpose of Capital Expenditure Ratio

To assess the extent to which a Council is expanding its asset base thru capital expenditure on both new assets and the replacement and renewal of existing assets.

Commentary on 2014/15 Result

2014/15 Ratio 0.69 x

Council does not plan to expand its General Fund asset base other than through developer contributed assets. The Water and Sewerage Funds will from time to time upgrade their system capacity. As a result this benchmark will be difficult to achieve

Benchmark: Minimum > 1.10
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

Ratio is within Benchmark
Ratio is outside Benchmark

Tweed Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
for the financial year ended 30 June 2015

\$ '000	Water 2015	Sewer 2015	General ⁽¹⁾ 2015
Infrastructure Asset Performance Indicators By Fund			
1. Building, Infrastructure & Other Structures Renewals Ratio			
Asset Renewals (Building, Infrastructure & Other Structures) ⁽²⁾	6.69%	6.07%	63.64%
Depreciation, Amortisation & Impairment	prior period: 162.93%	23.28%	68.56%
2. Infrastructure Backlog Ratio			
Estimated Cost to bring Assets to a Satisfactory Condition	2.38%	1.85%	8.35%
Total value ⁽³⁾ of Infrastructure, Building, Other Structures & Depreciable Land Improvement Assets	prior period: 4.97%	2.79%	7.77%
3. Asset Maintenance Ratio			
Actual Asset Maintenance	0.79	0.95	0.95
Required Asset Maintenance	prior period: 0.83	0.78	0.82
4. Capital Expenditure Ratio			
Annual Capital Expenditure	0.23	0.30	1.89
Annual Depreciation	prior period: 1.12	0.38	1.06

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, infrastructure & Other Structure assets only.

(3) Written Down Value

Tweed Shire Council

Special Schedule No. 9 - Permissible Income Calculation

for the financial year ended 30 June 2016

\$'000		Calculation 2014/15	Calculation 2015/16
Notional General Income Calculation ⁽¹⁾			
Last Year Notional General Income Yield	a	53,521	55,220
Plus or minus Adjustments ⁽²⁾	b	281	463
Notional General Income	c = (a + b)	<u>53,802</u>	<u>55,683</u>
Permissible Income Calculation			
Special variation percentage ⁽³⁾	d	0.00%	0.00%
or Rate peg percentage	e	2.30%	2.40%
or Crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
less expiring Special variation amount	g	-	-
plus Special variation amount	h = d x (c-g)	-	-
or plus Rate peg amount	i = c x e	1,237	1,336
or plus Crown land adjustment and rate peg amount	j = c x f	-	-
sub-total	k = (c+g+h+i+j)	<u>55,039</u>	<u>57,019</u>
plus (or minus) last year's Carry Forward Total	l	-	2
less Valuation Objections claimed in the previous year	m	-	(183)
sub-total	n = (l + m)	<u>-</u>	<u>(181)</u>
Total Permissible income	o = k + n	<u>55,039</u>	<u>56,839</u>
less Notional General Income Yield	p	55,220	56,838
Catch-up or (excess) result	q = o - p	<u>(181)</u>	<u>1</u>
plus Income lost due to valuation objections claimed ⁽⁴⁾	r	183	-
less Unused catch-up ⁽⁵⁾	s	-	-
Carry forward to next year	t = q + r - s	<u>2</u>	<u>1</u>

Notes

- 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.
- 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.
- The Special Variation Percentage is inclusive of the Rate Peg percentage and where applicable crown land adjustment.
- 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.
- 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.
- Carry forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from councils' Special Schedule 9 in the Financial Data Return (FDR) to administer this process.



TWEED SHIRE COUNCIL
SPECIAL SCHEDULE NO 9
INDEPENDENT AUDITORS' REPORT

REPORT ON 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 Tweed Shire Council for the year ending 30 June 2016.

Responsibility of Council for Special Schedule No. 9

The Council is responsible for the preparation and fair presentation of Special Schedule No. 9 in accordance with the *Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 23*. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Special Schedule No. 9 that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on Special Schedule No. 9 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether Special Schedule No. 9 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule No. 9. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of 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.

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

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 9 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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

Ref:

Page 1 of 2

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page 24



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 Tweed Shire Council for 2015/16 is properly drawn up in accordance with the requirements of the NSW Office of Local Government and in accordance with the books and records of the Council.

Basis of Accounting

Without modifying our opinion, we advise that this schedule has been prepared for distribution to the NSW Office of Local Government for the purposes of confirming that Council's reconciliation of Council's total permissible general income is presented fairly. As a result, the schedule may not be suitable for another purpose.

Dated at Lismore this 27th day of October 2015

**THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS**

Per:

A handwritten signature in blue ink, appearing to read 'A. J. Bradfield', is written over a dotted line.

A J BRADFIELD (Partner)