



Annual Report

2014-2015

Contact Tweed Shire Council

Post PO Box 816, Murwillumbah NSW 2484

Phone (02) 6670 2400 or 1300 292 872

Email tsc@tweed.nsw.gov.au

Website www.tweed.nsw.gov.au

Our offices Tumbulgum Road, Murwillumbah
Cnr Brett and Wharf Street, Tweed Heads

*Office hours are 8.30am - 4.15pm
weekdays. Closed public holidays.*

Hard copies of this report can be viewed at Council's offices at Murwillumbah and Tweed Heads.

A digital copy is available online at www.tweed.nsw.gov.au.



Cover photos:

(From top)

Screeding the main deck of the new Dunbible Creek Bridge... (from left) Dave Braham, Robert Dignan, Tony Castellano and Nathan Warlosz.

One of the new tennis courts at the Stage 1 upgrade of Arkinstall Park.

Tweed River Festival Lantern Parade 2014.



Statement of acknowledgement of the Bundjalung Aboriginal Nation

We wish to recognise the generations of the local Aboriginal people of the Bundjalung Nation who have lived in and derived their physical and spiritual needs from the forests, rivers, lakes and streams of this beautiful valley over many thousands of years as the traditional owners and custodians of these lands.



Welcome to Tweed Shire Council's Annual Report for 2014-2015

Tweed Shire Council is committed to serving our community through the provision of infrastructure and services to facilitate and promote safety, prosperity and wellbeing.

We produce an annual report for the benefit of our community and stakeholders, to keep them informed about our operations and activities during the financial year and to provide a record of our investment of funding and resources.

This report provides an overview of Council's progress towards the goals set out in our ten year Community Strategic Plan and the specific activities outlined in the Delivery Program 2013-2017 and Operational Plan 2014-2015. For further details, see the section on Integrated Planning and Reporting.

Section 8 of the NSW *Local Government Act, 1993*, requires that all Councils operate in accordance with the following charter:

To provide directly or on behalf of other levels of government, after due consultation, adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively;

To exercise community leadership;

To exercise its functions with due regard for the cultural and linguistic diversity of its community;

To promote and to provide and plan for the needs of children;

To properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible;

To have regard to the long term and cumulative effects of its decisions;

To bear in mind that it is the custodian and trustee of public assets and to effectively account for and manage the assets for which it is responsible;

To facilitate the involvement of Councillors, members of the public, users of facilities and services and Council staff in the development, improvement and coordination of local government;

To raise funds for local purposes by the fair imposition of rates, charges and fees, by income earned from investments and, when appropriate, by borrowings and grants;

To keep the local community and the State Government (and through it, the wider community); informed about its activities;

To ensure that, in the exercise of regulatory functions, they act consistently and without bias, particularly where an activity of the council is affected; and

To be a responsible employer.

Council is committed to the delivery of this charter and to transparent reporting and accountability to the community.

While the Annual Report 2014-2015 is the primary means of sharing Council's performance in the last financial year, there are many other ways members of the community can find out about and contribute to the running of Council.

Council's corporate website (www.tweed.nsw.gov.au) provides 24/7 access to detailed information on Council's operations, meeting agendas and minutes, and strategic plans, documents, policies and guidelines.

Council's smartphone app provides a wide range of services and information at your fingertips and is available free from the Apple App Store and Google Play.

Your Say Tweed (www.yoursaytweed.com.au) is Council's online hub for community engagement, where the community can learn about and provide feedback on a range of current Council projects and initiatives.

Tweed Link is a weekly gazetted newspaper produced in-house by Council to provide the community with the latest Council-related news and information. It is delivered free to more than 40,000 households in the Tweed and is published to Council's website each Tuesday. It is also available by email subscription. All of Council's statutory advertising is published in the Tweed Link.

Council meetings are generally held in the Council Chambers at the Murwillumbah Civic and Cultural Centre at Tumbulgum Road, Murwillumbah on the third Thursday of each month. Occasionally, there may be changes to the date or venue of a Council meeting and this will be communicated through the Tweed Link.

Planning Committee meetings are generally held in the Council Chambers at the Murwillumbah Civic and Cultural Centre at Tumbulgum Road, Murwillumbah on the first Thursday of each month. These meetings deal exclusively with matters pertaining to land use planning.

Community Access sessions are convened immediately prior to Council meetings and Planning Committee meetings to enable the community to informally address Councillors on items for consideration of Council. A booking is required and can be made by contacting Council.





Contents

Tweed Shire Mayors 2014-2015	8
General Manager's report	9
Profile of the Tweed	10
Tweed Shire Councillors	12
About Tweed Shire Council	14
Section 1: Reporting on our progress	16
Integrated Planning and Reporting	17
How to read the Annual Report	18
Awards and recognition	19
Achievements in Civic Leadership	21
Achievements in Supporting Community Life	26
Achievements in Strengthening the Economy	32
Achievements in Caring for the Environment	36

Section 2: Statutory reporting	41
Summary of legal proceedings	44
Councillor fees and expenses	47
Senior staff remuneration	48
Details of contracts awarded by Council	49
Financial assistance contributions to the community	51
Written off rates and charges	52
External bodies delegated functions by Council	52
Overseas travel	53
Companies of which Council held a controlling interest	53
Annual levy for stormwater management services	53
Annual charge for coastal protection services	53
Summary of works on private land	53
Partnerships, cooperatives and joint ventures	54
Equal employment opportunity	55
Companion Animals Act and Regulations	56
Privacy Management Plan statement	57
Government Information (Public Access) Act 2009 NSW	59
Section 3: Financial statements	64



Tweed Shire Mayors 2014-2015



Barry Longland

1 July 2014 - 18 September 2014



Gary Bagnall

18 September 2014 - 30 June 2015



General Manager's report



The NSW Government's 'Fit for the Future' process and resulting 'Tweed the Future is Ours' project was a central focus for Tweed Shire Council during 2014/15.

'Fit for the Future' presented Tweed Shire Council with an opportunity to look at what we do, why we do it, how well we do it and at what cost.

Following the completion of our submission to the Independent Pricing and Regulatory Tribunal (IPART) by 30 June 2015 and the subsequent local government reform announcement from the NSW Government, I am pleased to say that Tweed Shire Council is in a good position and has been recommended to stand alone as a Council and continue to deliver the great work we do.

Our response back to the NSW Government findings by 18 November 2015 will reflect our audited financial statements for 2014-2015 and include the new asset valuations and condition assessments, which were completed after the 30 June IPART deadline.

Together these show that Tweed Shire Council meets the key criteria to show that we are fit for the future, and we have taken this opportunity to strengthen our service delivery and have crucial conversations with our community to determine what services you would prefer Council to deliver and to what levels.

Council currently delivers more than 57 categories of services, managing and maintaining more than \$3 billion worth of assets such as roads, footpaths, cycleways, community buildings, swimming pools, civic centres, auditoriums and water treatment plants.

What excites me most about 'Tweed the Future is Ours' is the opportunity for myself and Council staff to listen to as many Tweed residents as possible during the project.

Initial community focus groups were held and a 'Community Engagement Network' of twenty-five International Association of Public Participation trained staff has been established to attend community events in 2015/16, so be sure to stop in and have a chat about 'Tweed the Future is Ours'.

While the NSW Local Government Review process was happening, Council continued to deliver a wide range of major projects in 2014/15 across community services, environmental protection, providing recreational facilities, economic development and many other areas.

May 2015 saw the official opening of Stage One of Arkinstall Park, a multi-million dollar regional sports facility upgrade in Tweed Heads South that included a regional high-performance tennis facility, new netball facilities, improved access and passive recreation. It was wonderful to have former professional tennis player and Australian Davis Cup captain John Fitzgerald OAM at the opening. Stage Two plans have commenced.

A number of roads, footpaths, bridges and cycleways were also revitalised over the past year. Projects included the Kennedy Drive upgrade at Tweed Heads West, Bay Street Upgrade and Wharf Street in the Tweed Heads CBD, Cobaki Road, Berkley Lane at Pottsville and the Numinbah Road repair program.

Council rehabilitated seven kilometres of waterways and actively managed 105 hectares of agricultural land under sustainable management practices in the past year. In addition the Tweed Coast Comprehensive Koala Plan of Management and the Kingscliff Foreshore Masterplan were adopted.

A vision to establish Murwillumbah as a cultural hub became a beautiful reality in August 2014, when the upgraded Tweed Regional Museum Murwillumbah was officially opened. It was fantastic to be among the almost 400 invited guests who attended the opening ceremony for the \$3.2 million, three-year upgrade of the Museum, to restore the historic 1915 building and create a high-quality exhibition space. Adding further to our cultural kudos, Tweed Regional Gallery & Margaret Olley Art Centre won a Museum and Galleries National Award (MAGNA), as well as being listed among the top one per cent of attractions in the world by international travel site TripAdvisor.

Council continues to be recognised for our great work across all of our program areas and I encourage you to read the Awards and Achievements pages for further detail. The 2015-16 year ahead will be an exciting time for Council and we look forward to working with our community to ensure that the future really is ours.

Troy Green General Manager

Profile of the Tweed

Key facts and figures



Location

Nestled in the eroded caldera of the largest shield volcano in the southern hemisphere, the Tweed is the largest local government area on the north coast of New South Wales, covering an area of just over 1309 square kilometres.

The Tweed adjoins the NSW local government areas of Byron, Lismore and Kyogle, with the Queensland border to its north where it divides the twin towns of Tweed Heads and Coolangatta.

Population

The Tweed Shire population forecast for 2015 is 90,254 and is forecast to grow to 125,953 by 2036.[†]

In line with this population growth, the number of dwellings in the Tweed is forecast to grow from 40,452 in 2011 to 48,427 in 2026, with the average household size rising from 2.38 to 2.39 by 2026.[†]

Between 2011 and 2026, the age structure forecasts for Tweed Shire indicate a 28.3% increase in population under working age, a 27.3% increase in population of retirement age, and a 15.5% increase in population of working age.[†]

Economy

Tweed Shire's Gross Regional Product is estimated at \$2.86 billion, which represents 0.6% of the state's GSP (Gross State Product).⁺

The Tweed has a diverse industry base with employment access to a range of service sector and primary sector industries.

In the year ending June 2014, there were 28,780 local jobs and 6679 local businesses in the Tweed Shire.⁺

The key industry sectors in terms of jobs and value are health care and social assistance, retail trade, accommodation and food services, education and training, and construction.

Sources: *profile.id*[†], *economy.id*⁺, *forecast.id*[†], October 2015

Forecast resident
population 2015[†]
90,254

Gross Regional
Product[†]
\$2.86 billion

Local jobs[†]
28,780

Forecast resident
population 2036[†]
125,953

Land area*
**130,918 ha /
1309km²**

Local
businesses[†]
6679

Sources: *profile.id*[†], *economy.id*[†], *forecast.id*[†], October 2015

Tweed Shire Councillors

Your elected representatives



Councillor Katie Milne (Mayor, September 2015)

Office: (02) 6670 2402

Phone: (07) 5590 9622

Email: kmilne@tweed.nsw.gov.au

Committee membership:

Far North Coast County Council, Floodplain Management, General Manager Review, Richmond-Tweed Regional Library, Tweed Coast Koala Advisory Group, Tweed River.



Councillor Gary Bagnall (Deputy Mayor)

Phone: 0419 608 965

Email: gbagnall@tweed.nsw.gov.au

Committee membership:

Aboriginal Advisory, Arts Northern Rivers Board, Australia Day, Destination Tweed, General Manager Review, Mayor's Disaster Relief Fund, Northern Rivers Regional Organisation of Councils (NOROC), Tweed Coastal, Tweed River.



Councillor Barry Longland

Phone: 0458 525 372

Email: blongland@tweed.nsw.gov.au

Committee membership:

Audit, General Manager Review, Local Traffic, Tweed Coastal.



Councillor Warren Polglase

Phone: 0428 961 306

Email: wpolglase@tweed.nsw.gov.au

Committee membership:

General Manager Review, Tweed Regional Gallery Advisory.



Councillor Carolyn Byrne

Phone: 0414 557 636

Email: cbyrne@tweed.nsw.gov.au

Committee membership:

Audit, General Manager Review, Gold Coast Airport Community Aviation Consultative Group, Richmond-Tweed Regional Library.



Councillor Michael Armstrong

Resigned as Councillor on 1 July 2015.



Councillor Phil Youngblutt

Phone: 0418 617 071

Email: pyoungblutt@tweed.nsw.gov.au

Committee membership:

Equal Access Advisory, Far North Coast Bush Fire Management, General Manager Review, Rural Fire Service Liaison, Sports Advisory, Tweed Regional Gallery Advisory, Mayor's Disaster Relief Fund.

Contacting your Councillors

All Councillors can be contacted by mail at PO Box 816 MURWILLUMBAH NSW 2484.

Councillors are your elected representatives and can be contacted by the public at any time.

On request, Councillors are also available to speak at public engagements such as school or educational functions, community groups and business and industry meetings.

For specific enquiries please contact the Mayor's office on (02) 6670 2402.

About Tweed Shire Council

Serving the Tweed community

Tweed Shire Council is the largest employer in the Tweed with a workforce of more than 650 employees across a range of professions.

With an annual budget of approximately \$195 million, Council maintains \$3 billion worth of assets and delivers more than 57 programs and services to more than 90,000 residents who call the Tweed home.

Our vision:

The Tweed will be recognised for its desirable lifestyle, strong community, unique character and environment, and the opportunities its residents enjoy.

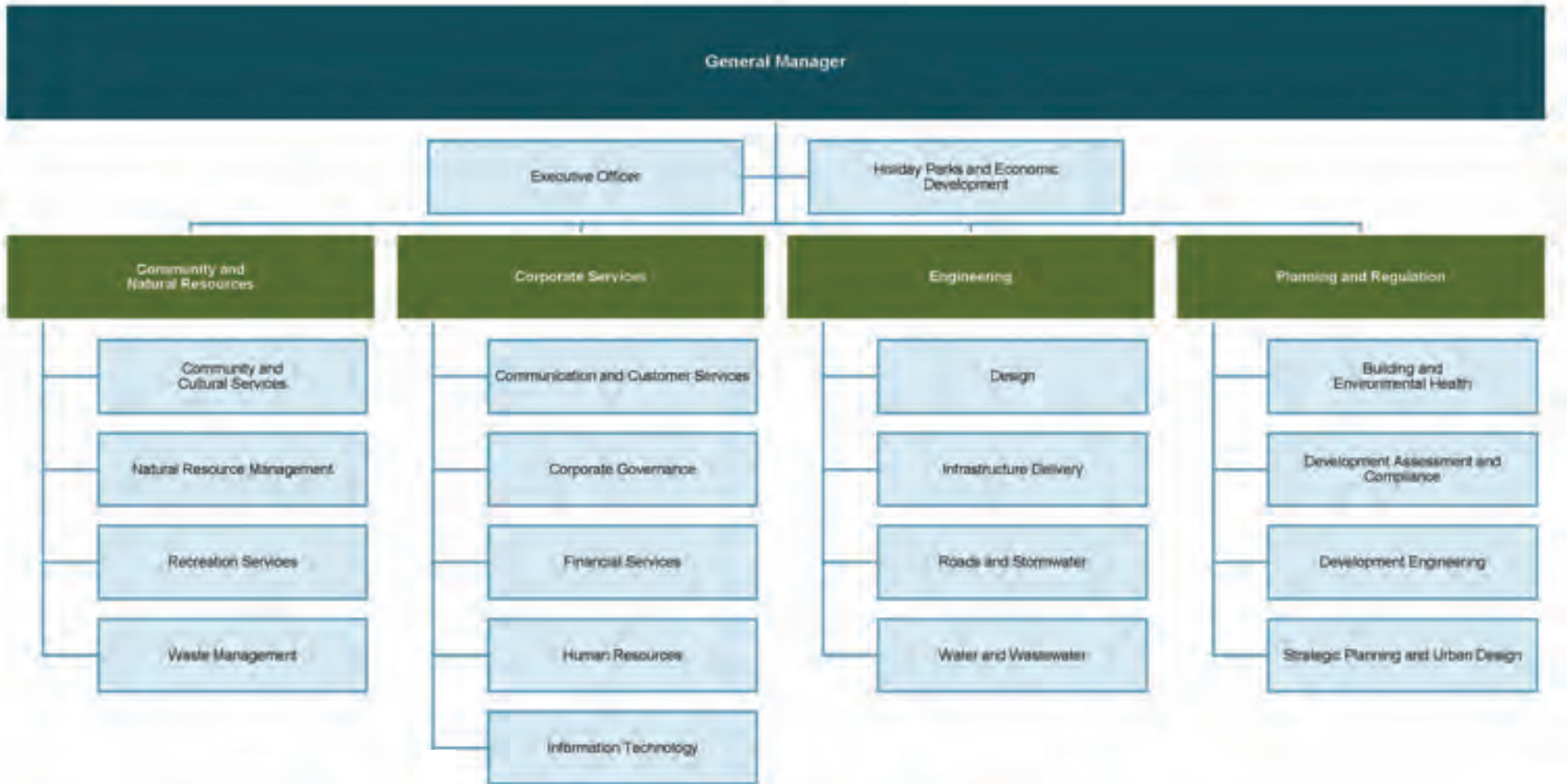
Our mission:

Working with community and partners, provide leadership in facilitating and delivering services that manage growth sustainably; create opportunity; and enhance the value of our civic and natural assets for this and future generations.

Our values:

Transparency, customer focus, fairness, reliability, progressiveness, value for money and collaboration.

Organisation structure





Section 1: Reporting on our progress

Integrated Planning and Reporting

A framework for strategic and sustainable local government

All councils in NSW are required to operate within the Integrated Planning and Reporting (IP&R) Framework. This framework was introduced by the NSW Government to facilitate a strong and sustainable local government system by ensuring all local councils have in place strategic plans, underpinned by community priorities and supported by appropriate resources.

The IP&R Framework encourages councils to view their various plans holistically to understand how they relate to each other, and in doing so, leverage maximum results.

Ultimately, it aims to provide greater accountability and transparency in local government, by strengthening councils' strategic focus, streamlining reporting processes and making it easier for the community to understand and track councils' progress on identified priorities.

The key documents included in the IP&R Framework, and an overview of their functions, is provided below.

Community Strategic Plan

This is the highest level plan that a council will have and is prepared for a minimum period of 10 years.

The purpose of the Community Strategic Plan is to identify the community's main priorities and aspirations for the future and to plan strategies for achieving these goals. It should be developed and delivered as a partnership between the council, state agencies, community groups and individuals and should address a broad range of issues that are relevant to the whole community.

Resourcing Strategy

This strategy addresses the resources – time, money, assets and people – required to deliver the long-term community aspirations expressed in the Community Strategic Plan. It comprises three elements: long term financial planning; workforce management planning; and asset management planning.

Delivery Program

This is a statement of commitment to the community by each newly elected Council outlining its priorities for achieving the community's long-term goals (as identified in the Community Strategic Plan) during its four-year term of office.

Operational Plan

Supporting the Delivery Program is an annual Operational Plan. It spells out the individual projects and activities that will be undertaken each year to achieve the commitments made in the Delivery Program.

Annual Report

This document is one of the key points of accountability between a council and its community. It focuses on the council's implementation of the Delivery Program and Operational Plan to help the community understand how the council has been performing both as a business entity and a community leader.



How to read the Annual Report

Following our progress

This Annual Report is divided into three sections:

Section 1: Reporting our progress

This section provides an outline of Council's progress against the actions set out in the Delivery Program 2013-2017. Like the Delivery Program, it is structured around four themes, as identified in the Community Strategic Plan 2013-2023. Under each theme is a summary of the key achievements and strategic outcomes delivered in 2014-2015, relevant to that objective. Achievements are shown with the relevant item number from the Delivery Program.

Section 2: Statutory reporting requirements

This section includes reporting requirements prescribed by the *Local Government (General) Regulation 2005*, including (but not limited to) a summary of Council's legal proceedings; details of contracts awarded by Council; financial assistance contributions to the community; written off rates and charges; and information relating to the Government Information (Public Access) Act 2009 NSW.

Section 3: Financial statements

This section includes general purpose financial statements for the financial year ending 30 June 2015, including an Income Statement, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows.



Civic Leadership

To set the overall direction and long-term goals for the Tweed in accordance with community aspirations.



Supporting Community Life

To create a place where people are healthy, safe, connected and in harmony with the natural environment to retain and improve the quality of community life.



Strengthening the Economy

To strengthen and diversify the region's economic base in a way that complements the environmental and social values of the Tweed.



Caring for the Environment

For Council and the community to value, respect and actively participate in the care and management of the Tweed's natural environment for current and future generations.



Museums & Galleries National Award (MAGNA)

The Museums & Galleries National Award (MAGNA) are nationally prestigious and recognise excellence in exhibitions, public programs and sustainability projects.

In May 2015 Tweed Regional Gallery & Margaret Olley Art Centre was presented with an award in the Permanent Exhibition or Gallery Fitout category for the development of the Margaret Olley Art Centre (MOAC).

The \$4.5million purpose-built extension to the Gallery honours the wish of the late artist that the studio elements of her Paddington home in Sydney and her collections be recreated at Tweed Regional Gallery.

MOAC attracted more than 200,000 visitors since opening in March 2014, almost doubling the Gallery's annual attendance figures.

Above: Chair of the board of Museums and Galleries NSW, Jennifer Barrett, MOAC's first curator, Sally Watterson, Tweed Regional Gallery Director, Susi Muddiman and CEO Museums & Galleries NSW, Michael Rolfe.

Awards and recognition

In 2014-2015, Tweed Shire Council was recognised for excellence in environmental sustainability initiatives, local economic contribution and workforce management. A Trainee Case Manager was named Young Achiever of the Year and the Tweed's outstanding cultural facilities were commended nationally.

Green Globe Awards

The Tweed Byron Koala Connections program gained recognition when Council was selected as a finalist in a new Natural Environment Sustainability category for the NSW Government's 15th Green Globe Awards.

Council officers worked with landholders and community partners to plant 30,000 koala food trees and 25,000 trees and shrubs. The program resulted in cooperation between many organisations and members of the community to restore koala habitat.

The NSW Government's Green Globe Awards are the leading environmental recognition program, celebrating excellence, leadership and innovation in sustainability.

Northern Rivers 2015 Regional Business Awards

The Northern Rivers Regional Business Awards celebrate and recognise business excellence from members across the Northern Rivers.

Council's successful efforts to make its operations more sustainable resulted in winning the Excellence and Sustainability Award in September 2015. These initiatives included reducing electricity consumption by 20 per cent, cutting down on herbicide use for park maintenance, reducing office waste going to landfill by 1.5tonnes and carrying out vertebrate pest management on 350 hectares of Council land.



Byron Shire Council's Jo Green and Tweed Shire Council's Scott Hetherington receive the Green Globe Award from the NSW Minister for the Environment, Rob Stokes MP.



Tweed award winners at the Northern Rivers 2015 Regional Business Awards ... (from left) Ele Scheffler from Totally Workwear, Anni Brownjohn from The Right Food Group, Mayor of Tweed Councillor Katie Milne and Cr Barry Longland with Council's Excellence in Sustainability Award, and Kerry Turner from Tweed Foodie Fest.

Young Achiever of the Year - Local Government Aboriginal Network Conference

In September 2014 a Trainee Case Manager with Tweed Shire Council's Community Options Program (COPS) was named Young Achiever of the Year at the 2014 Local Government Aboriginal Network Conference.

After starting with Tweed Shire Council, Paris Robinson initiated and coordinated an Indigenous forum focusing on Planning for the Future, and launched plans for a story telling and photo book project. The title recognised her contribution to welfare services, helping to address issues faced by Aboriginal people. Paris also won TAFE NSW's Gili Award for Indigenous Academic Excellence.

NSW Local Government Excellence Awards

Celebrating the work of individuals and teams in local government, the NSW Local Government Excellence Awards highlighted Tweed Shire Council for a number of efforts and initiatives in the year 2014.

At the awards ceremony in April 2015, Council received a 'Highly Commended' in the category of Excellence in Environmental Leadership and Sustainability for delivering the River Health Grant, Biodiversity Grant and Land for Wildlife Programs.

Council was also nominated for awards in Special Project Initiative (Bartletts Bridge micro-piling), Excellence in Workforce Management (Productivity Awards) and Excellence in Local Economic Contribution (Business Investment Policy).

Council's Management Challenge Team also received third place in the 2015 Australasian Management Challenge.

United Nations Association of Australia 2015 World Environment Day Awards

The United Nations Association of Australia 2015 World Environment Day Awards are held in conjunction with World Environment Day on 5 June and celebrate innovative and outstanding environmental programs and initiatives across Australia.

Council was announced as a finalist in the 'Best Specific Environmental Initiative' category for Tweed Byron Koala Connections, a \$3.5million program that aims to provide a secure future for koalas on the NSW far north coast by increasing the area, quality and connectivity of koala habitat in the Tweed and Byron shires.

Nearly 60,000 koala habitat trees were planted on more than 100 properties in the coastal areas of Tweed and Byron. In addition to the creation of more than 500 hectares of new habitat, 130 hectares of habitat was restored and threat management began.

IMAGinE Awards

Tweed Regional Gallery's Margaret Olley Art Centre (MOAC) was again commended in the areas of excellence and innovation by the Museums & Galleries of NSW IMAGinE Awards.

The re-creation of the home and studio of the iconic Margaret Olley was awarded the prize for medium-sized galleries – between three and 10 paid staff – in November 2014. The extension of the Gallery involved relocating more than 20,000 items to recreate three rooms from the artist's Sydney home studio – the Hat Factory, the Green Kitchen and the Yellow Room.



Paris Robinson with Council's Community Development Officer - Aboriginal, Robert Appo.



Tweed Regional Gallery Director Susi Muddiman with Museums & Galleries NSW Chair Oliver Frankel. Photo courtesy of Mimi Kelly.



Tweed Heads Streetscape Stage 2

1.3.1.4

Tweed Shire Council officially opened the Bay Street upgrade in June 2015 with a breakfast to thank involved businesses for their patience and support. The final stages of the Tweed Heads CBD Streetscape Upgrade included a makeover complete with a full road reconstruction, access to loading docks, safer parking, outdoor dining area opportunities and street furniture.

The end of these street scaping works marked the completion of a 10-year project to revitalise the Tweed Heads CBD precinct and deliver a message that Tweed Heads is open for business and leisure.

The works also included redeveloping Jack Evans Boat Harbour.

Beauty on Bay's Therese Lai with some of the crew who did the job, from left, Robert Hall, Stephen Day and Roger Summerfield, at the official opening of Bay Street.

Achievements in Civic Leadership

Aim: To set the overall direction and long-term goals for the Tweed in accordance with community aspirations.

Kingscliff Foreshore Masterplan

1.3.1.6

The Kingscliff Foreshore Masterplan aims to enhance and strengthen Kingscliff's foreshore and includes the construction of a seawall to protect the beach and nearby facilities, an upgrade of Kingscliff Beach Holiday Park and the creation of Kingscliff Central Park.

In December 2014 beach access was restored opposite the central area of the Kingscliff CBD, with the completion of new \$16,000 beach access stairs, located on the beachside of the Cudgen Headland Surf Life Saving Club.

During 2014/15, detailed concept designs for rock and concrete sea walls commenced and sand nourishment started for approximately 20,000 cubic metres of Kingscliff Beach.

In June 2015 a rejuvenated Kingscliff North Holiday Park (KNHP) reopened after being closed since October 2014.

KNHP, located on Marine Parade in Kingscliff, underwent a \$2.8 million revitalisation that included installing six beachfront cabins, two additional 'Surfari' tents, five ensuite units for tourist sites, accessible facilities, sheltered barbecue areas, powered tent sites and a new manager's office and residence.

The improved holiday park also includes a new accessible cabin, new water, sewer and electrical services, boom gate access control, new roads, internal pathways and UV-stabilised artificial turf on tent sites.

The number of park sites has been reduced from 57 to 46, to allow for more site space for visitors.



The revitalised Bay Street at Tweed Heads.



Celebrating the reopening of Kingscliff North Holiday Park.



Adam Mills and Richard Adams on Kingscliff's new beach stairs.

Development Assessment and Planning

1.5.2.1

Tweed Shire Council supplied 100% of section 149 certificates on time. Section 149 certificates provide information on planning controls and any development restrictions which may apply to a particular parcel of land within the Council area. They are usually required upon the sale or purchase of a property.

The average time to determine a development application was 51 days, 24% less than the target of 67 days.

Heritage Development Control Plan

1.5.2.3

The Heritage Development Control Plan has already seen a number of fact sheets and website content being developed and uploaded to assist heritage owners in understanding their requirements.

Drafts of this work has shown promising signs that the information will be readily accessible and understandable to the community, ultimately improving heritage conservation.

Rural Villages Strategy

1.5.2.9

The Rural Villages Strategy was prepared by Council to capture community visions for the future of the rural settlements in Tweed hinterland, including considering the environment before development, how the villages could build on existing assets and promoting small business.

Extensive community consultation was carried out through drop-in sessions in eight villages in the Tweed.

The community provided excellent feedback and this participation had a significant influence on the process and content of the Strategy's review.

This process brought members of the villages together and also provided a platform for networking.

Conserving Aboriginal cultural history

1.5.2.10

Tweed Shire Council completed mapping, fact sheets and thematic history for the Aboriginal Cultural Heritage Management Plan, ready for Council endorsement for public exhibition.

In 2013 Council worked closely with Aboriginal community representatives and conservation consultants to produce the Plan, which aims to conserve cultural evidence from some selected sites that support the fact that Aboriginal people were living in the Tweed at least 10,000 years ago.



Heritage listed Chillingham Store.



Community drop-in session is held for the Rural Villages Strategy.



Robyn Eisermann and Ian Fox work on mapping for the Aboriginal Cultural Heritage Management Plan.

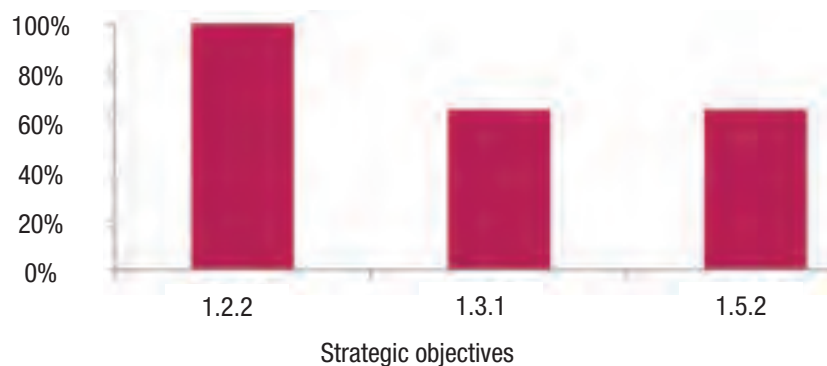


Progress report for 2014-2015: Civic Leadership

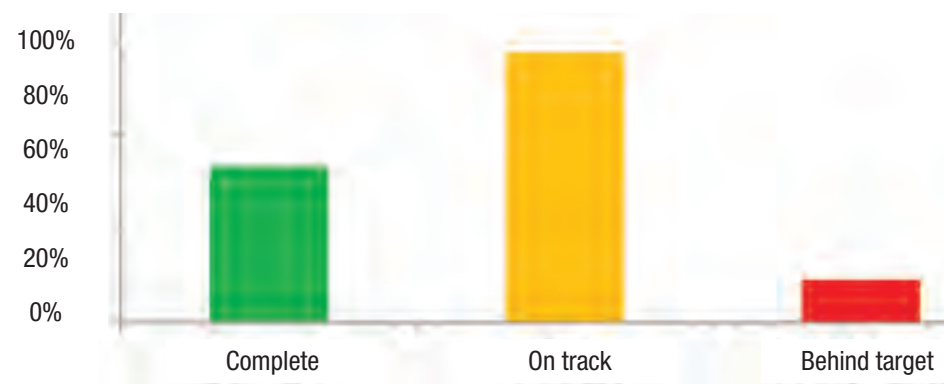
Performance against the Civic Leadership objectives, identified in the 2013-2017 Delivery Program

		Budget (\$000)		Actual (\$000)	
	2014-2015 result	Income	Expenditure	Income	Expenditure
1.1	Ensure actions taken and decisions reached are based on principles of sustainability.	0	0	0	0
1.2	Improve decision making by engaging stakeholders and taking community input into account.	0	539	0	491
1.3	Deliver the objectives of this plan.	67,428	8,241	77,902	6,293
1.4	Strengthen coordination among Commonwealth and State governments, their agencies and other service providers and statutory authorities to avoid duplication, synchronise service delivery and seek economies of scale.	0	0	0	0
1.5	Manage and plan for a balance between population growth, urban development and environmental protection and the retention of economically viable agricultural land.	1,094	5,587	1,408	5,433

2013-2017 Delivery Program: strategic outcomes



2014-2015 Operational Plan: overall performance

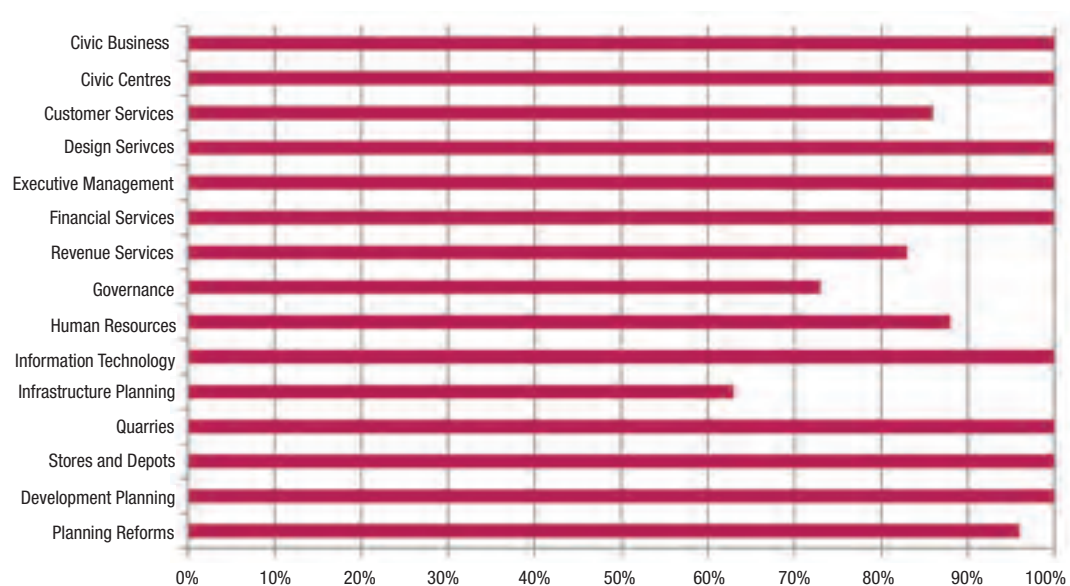


2013/2023 Community Strategic Plan, community indicators

Civic Leadership

Indicator	Target	2014/15 Actual
Efficient development application processing times	<68 days	61 days
Building and infrastructure renewal ratio	100%	31.61%
Unrestricted current ratio	>2	3.55
Unrestricted cash amount	>\$8million	\$5.185million
Debt service ratio	<=15%	2.84%
Unpaid rates, annual charges, interest and other outstanding charges	<=5%	5.05%
Net operating result before capital grants and contributions	>\$0	-\$6.445million
Attendance at Council meeting by Councillors	80%	85%
Lost-time injury rate	<4.24%	16%

Performance against the Civic Leadership objectives, identified in the 2013-2017 Delivery Program





Arkininstall Park Master Plan Implementation

2.3.6.06

The first stage of a multi-million dollar regional sports facility upgrade in Tweed Heads South was officially opened in May 2015 by former professional tennis player and Australian Davis Cup captain, John Fitzgerald OAM.

The Stage One upgrade of Arkininstall Park included the construction of a netball clubhouse and amenities, a tennis clubhouse with eight new courts, a park and playground area, new car parking, landscaping, signage and an upgrade to the Park's power supply.

Total funding for the project was \$7,741,800 comprising of \$2,620,000 from Tweed Shire Council, \$4,991,800 from the Federal Government, \$100,000 from Tennis Australia and \$30,000 from Tweed Netball Association.

Above: Netballers celebrate the official opening of Arkininstall Park – Stage One with Robert Tindale, former professional tennis player John Fitzgerald OAM, Stewart Brawley, Troy Green and Helen Rigney.

Achievements in Supporting Community Life

Aim: To create a place where people are healthy, safe, connected and in harmony with the natural environment to retain and improve the quality of community life.

Tweed Heads Library

2.1.1.2

In 2015, Council commissioned architectural plans for the expansion of the Tweed Heads Library, which will double the size of what is one of the busiest libraries in the northern region. New submissions for funding from the NSW Government will now be made with the plans.

Tweed Regional Museum on eHive

2.1.3.2

Tweed Regional Museum added more than 5,000 collection items to be published through eHive, an online collection management system for museums, galleries and heritage collections.

This content provides wide accessibility and will underpin curriculum-based school education programs currently in development as well as online access to the collection as part of Museum displays via the Museum's website.

Water Supply Services

2.3.2.1

Council continued to encourage households to reduce water consumption through its Target 180 program. Water use during 2014/15 was 0.5 per cent lower than the target of 180 litres per person per day, and water quality remained 100% up to standard.

Clarrie Hall Dam Spillway Upgrade

2.3.2.1

Works were completed on the Clarrie Hall Dam to pass Probable Maximum Flood levels.



The Historic Powerhouse Whistle is displayed by Kirsty Andrew at Tweed Regional Museum.



Waste Management

2.3.4.4

Council received a \$2.1million grant to fund food and garden organic processing at Stotts Creek, which is now proceeding and expected to be operational in mid-2017. This will make way for the introduction of the green waste collection service, improving the amount of waste the community diverts from landfill per year and reducing the amount of landfill gas.

The green waste collection service will mean that the green 'garden' bin becomes compulsory for all food and organic waste for Tweed households.

Flooding

2.3.5.2

Tweed Shire Council was successful in attracting State funding for the Murwillumbah CBD flood study, which will describe and define existing flood behaviour and provide a basis for floodplain risk management activities in Murwillumbah's central business district.

A brief has been completed in consultation with the Office of Environment and Heritage, and is now awaiting tender process.

Cemetery

2.3.6.1

Tweed Shire Council once again set and maintained the high standards of cemeteries, which are situated in some of the Tweed's most beautiful locations and provide peaceful and respectful surrounds.

Business plan recommendations were implemented and the cremator at the Tweed Valley Cemetery crematorium is now completed and operational.

Transport Services

2.4.3.1

In 2014/2015, 8 per cent of sealed roads and 4 per cent of asphalt roads were resurfaced. Sixteen per cent of gravel roads were re-sheeted and 1 per cent of damaged and worn footpaths were replaced. All bridges in the Tweed were assessed to determine load weight limits.

Stage 2 works for the \$9 million Kennedy Drive Upgrade were completed. These were carried out from Gray Street to the Pacific Motorway and aimed to increase road safety, reduce incidents of contact with overhead power poles, reduce the impact of high water levels during minor rainfall events and reduce road noise.

The project was jointly funded by Tweed Shire Council, the Australian Government and the NSW Government and has been delivered in stages to reduce the impact on residents and motorists in this highly constrained work environment.



The Green Waste Collection Service will begin operating in 2017.



Tweed Valley Cemetery



Geoff Provest, Gary Bagnall, Duncan Gay and Robert Hanby at Kennedy Drive in February 2015.

Arkinstall Park stage 2 plans completed

2.3.6.02

A concept plan for Stage 2 of the Arkinstall Park upgrade was completed and placed on public exhibition.

Proposed for Stage 2 works were an indoor sports court facility and a regional rectangular football stadium. Council engaged consultants to determine the financial viability of these facilities, how they are likely to be used, potential income and likely costs, which indoor facilities the community needs most and how the facilities should be managed.

Water main works

Council completed a great number of water main replacements, constructions, designs, installations over 2014-2015. These included a construction on Barnby Street in Murwillumbah and design works for all water mains on Minjungbal Drive in Tweed Heads South, which called for Aboriginal Cultural Heritage investigations.

Other water main works included an installation on Hartigan Hill in Murwillumbah, a flowmeter and pit construction on the corner of Terranora and Bilambil Roads, a replacement at Hillcrest Avenue Reservoir site at Tweed Heads South, a replacement on Stanley Street and completed works on Mistral Road, South Murwillumbah.

Access and Inclusion Plan adopted

Tweed Shire Council's Access and Inclusion Plan 2015 was adopted in August 2014.

Around 24 per cent of the total population of the Tweed live with disability and Council identified a need for a plan that would help make the community liveable for everyone.

The Plan outlines a process for assessing and implementing changes that will make the Tweed a place that everyone can enjoy. An accessible community provides everyone with equal and dignified access to all aspects of community life. This includes the ability to engage in social, business, employment, educational and leisure activities.

Knox Park playground and recreation area

2.3.6.12

Council finalised plans for a \$1.2 million youth precinct and adventure playground at Murwillumbah's Knox Park, and construction is now well under way.

Members of the Lions Club of Murwillumbah, who contributed \$250,000 to the project, met with Council representatives in September 2014 to celebrate the club's contribution to the project, which was part of the first stage of a major upgrade of the central Murwillumbah park.

Stage 1 will also include the provision of new shelters, barbecue facilities and pathways. The Lions provided the funds on behalf of a benefactor and former club member, the late Mr John Edward Navin, who bequeathed the money to the club with the request for it to be used to assist youth in Murwillumbah.



Senator John Williams, Councillor Gary Bagnall, The Honourable Justine Elliott MP and John Fitzgerald OAM open Arkinstall Park.



Skateboarders check out the construction site for what will be the Knox Park Youth Precinct.



The Lions Club of Murwillumbah met with Council in 2014 to celebrate a contribution of \$250,000.

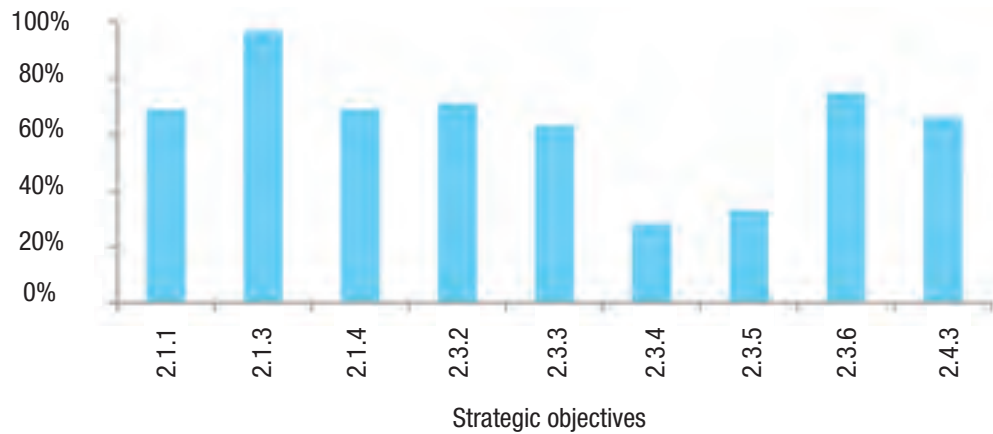


Progress report for 2014-2015: Supporting Community Life

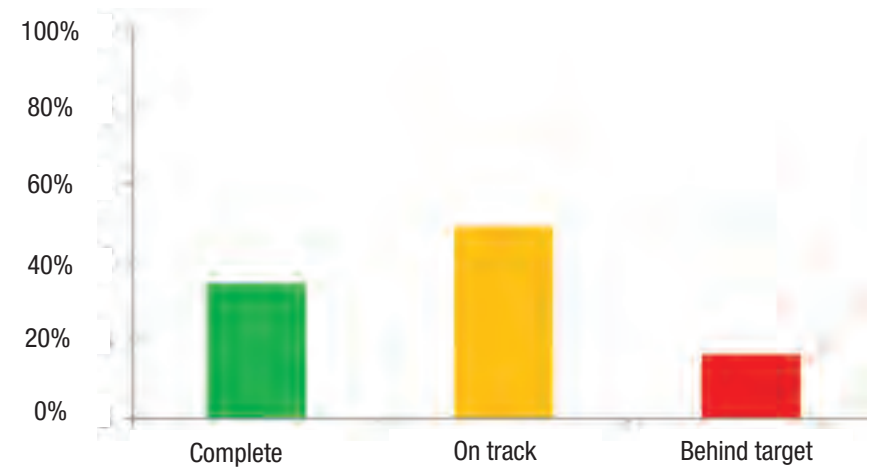
Performance against the Supporting Community Life objectives, identified in the 2013-2017 Delivery Program

	2014-2015 result	Budget (\$000)		Actual (\$000)	
		Income	Expenditure	Income	Expenditure
2.1	Foster strong, cohesive, cooperative, health and safe communities	2,463	12,222	4,950	13,567
2.2	Improve opportunities for housing choice	0	0	0	0
2.3	Provide well serviced neighbourhoods	111,980	130,370	98,629	108,811
2.4	An integrated transport system that meets local and regional needs	7,377	25,471	20,154	54,720
2.5	Provide vibrant and accessible town, community and business centres	0	0	0	0
2.6	Improve urban design	0	0	0	0

2013-2017 Delivery Program: strategic outcomes



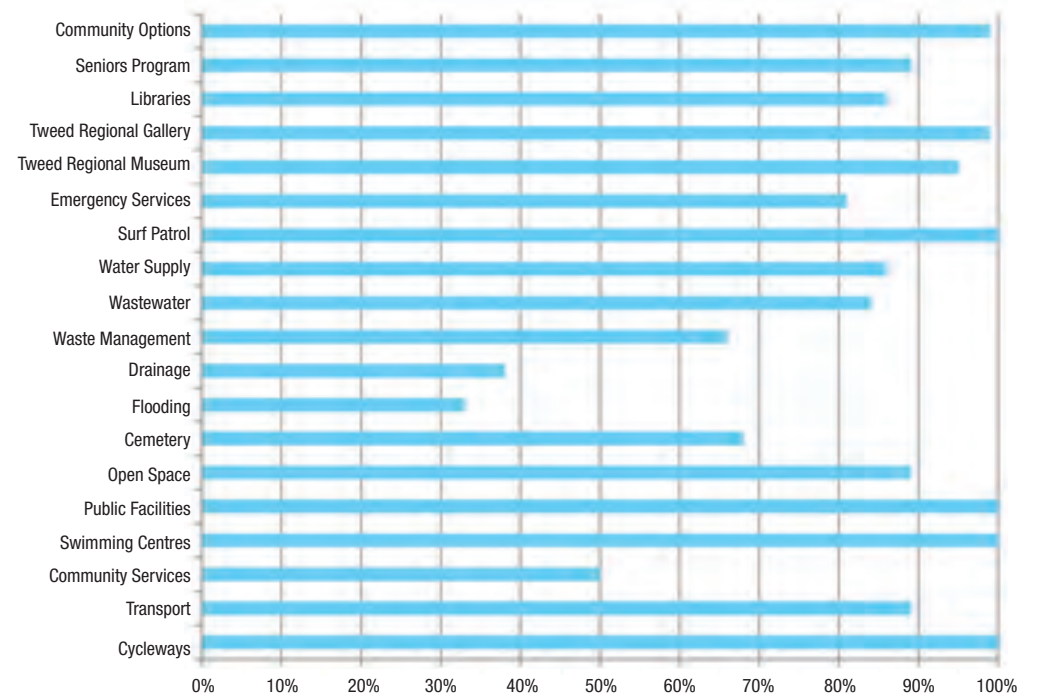
2014-2015 Operational Plan: overall performance



2013/2023 Community Strategic Plan, community indicators Supporting Community Life

Indicators	Target	2014/15 Actual
Public transport usage (Surfside Buslines including school services)	>5 trips per capita	21 trips per capita
Crime rate: Number of recorded major criminal incidents	<=3	3
Housing affordability: sale price	\$412,000	\$410,000
Housing affordability: percentage change in sale price	3%	3%
Housing affordability: weekly rent	\$395	\$400
Housing affordability: percentage change in weekly rent	4%	5%
Utilisation of community centres (key programs)	>37,798	75,060
Number of impounded animals re-homed	>75%	74%
Length of roads resealed per annum	107kms	62kms
Length of roads rehabilitated per annum	16kms	8kms
Length of bikeways per 1000 population	1kms	1kms
Areas of parks and sports fields per 1000 population	1.7ha	1ha
Utilisation of Council's sporting facilities	100%	100%
Household (kerbside) recycling rates	50%	38%
Total waste diverted from landfill	>34,000 tonnes	6,722 tonnes
Average residential water consumption per person	180 L/p/d	194 L/p/d
Drinking water quality: compliance with microbiological requirements	100%	100%
Water Quality Complaints per 1000 properties	3	5
Compliance with EPA discharge licence for waste water treatment plants	100%	84%
Odour complaints per 1000 properties	1	1
Overflows per 1000 properties	1.6	2
Recycled water use (percentage of volume)	10%	6%
Total greenhouse gas emission for Council operations	decrease	Decreased by 3%

Principle activities for Supporting Community Life, as identified in the 2013-2017 Delivery Program





Destination Tweed

3.1.4.1

Destination Tweed's contract to provide tourism promotion for Tweed Shire was extended in 2014 to the end of September 2018.

The Board of Destination Tweed engaged Prevention Partners NSW in September 2014 to undertake an independent review of the full suite of Destination Tweed's revised policies and procedures including a staff policies and procedures manual, Finance Authorities and Delegations, Conflict of Interest register, Board Policies, Tendering and Contract management, Finance Policy and Staff Confidentiality.

The renewed contract will provide valuable continuity for ongoing campaigns to strengthen the Tweed as a tourism destination.

Achievements in Strengthening the Economy

Aim: To strengthen and diversify the region's economic base in a way that complements the environmental and social values of the Tweed.

Festivals and Events

3.1.4.2

Council contributed a total of \$64,000 to festivals and events to be held in the region in 2014/2015. Eighteen beneficiaries were presented with funding in accordance with Council's Festival and Events Policy in 2014 for festivals, shows, expos and carnivals.

Council also granted a film permit in 2015 for the filming of a wedding scene in the major movie, Pirates of the Caribbean, where a temporary set was developed at Hastings Point Headland.



Councillor Phil Youngblutt with the recipients of the 2015 Festivals and Events funding at a presentation ceremony.

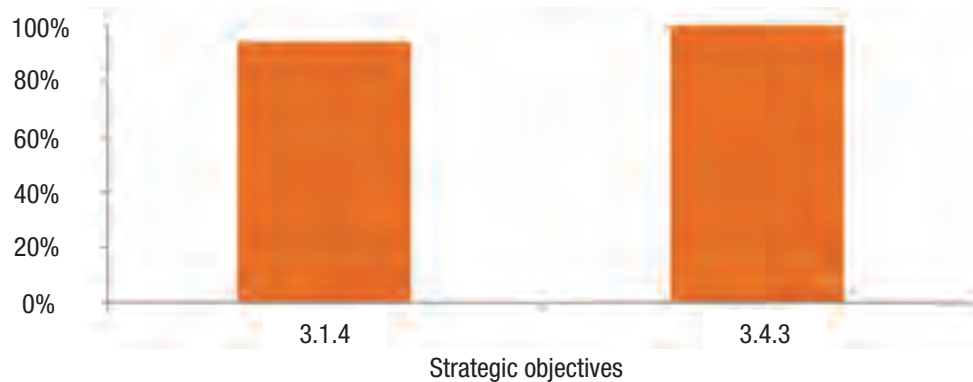


Progress report for 2014-2015: Strengthening the Economy

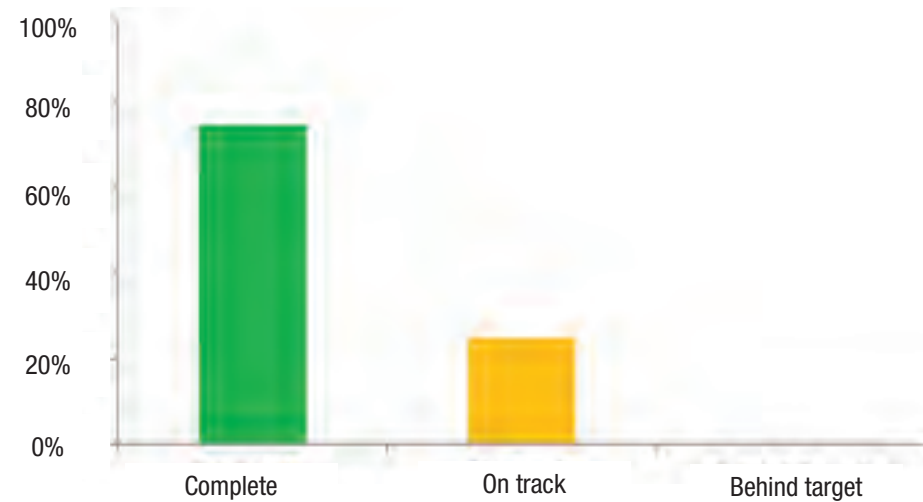
Performance against the Strengthening the Economy objectives, identified in the 2013-2017 Delivery Program

	2014-2015 result	Budget (\$000)		Actual (\$000)	
		Income	Expenditure	Income	Expenditure
3.1	Expand employment, tourism and education opportunities	4,646	6,582	68	1,590
3.2	Retain prime agricultural land, farm viability, manage rural subdivision and associated landscape impacts	0	0	0	9
3.3	Maintain and enhance the Tweed lifestyle and environmental qualities as an attraction to business and tourism	0	0	0	0
3.4	Provide land and infrastructure to underpin economic development and employment	7,665	7,713	938	108

2013-2017 Delivery Program: strategic outcomes



2014-2015 Operational Plan: overall performance

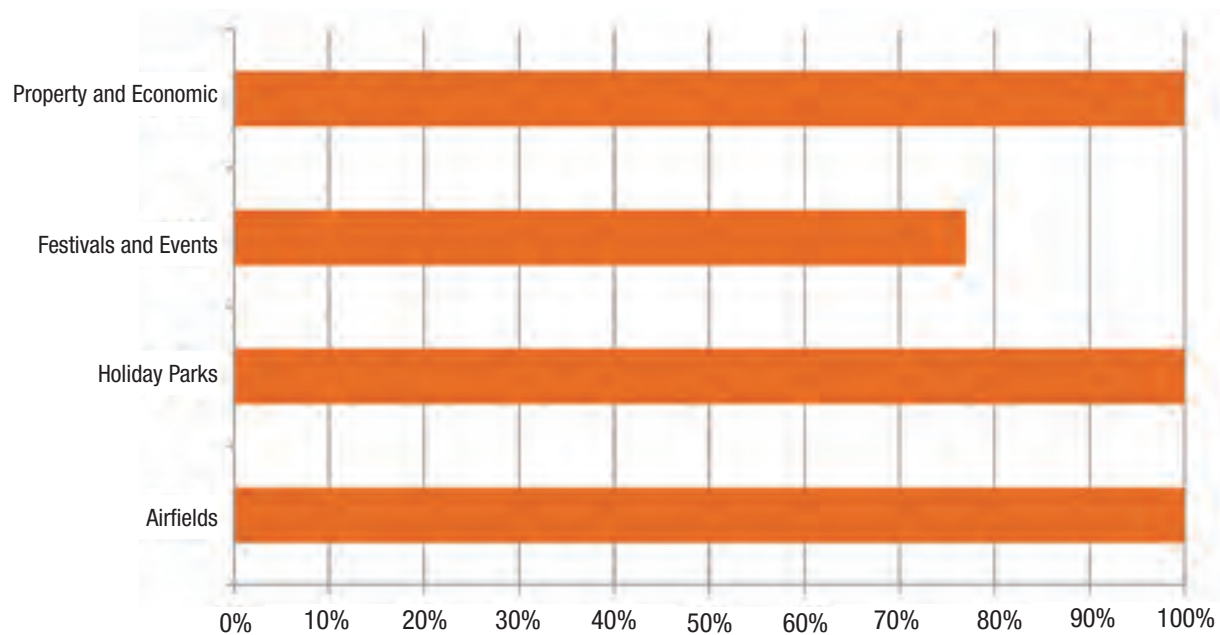


2013/2023 Community Strategic Plan, community indicators

Strengthening the Economy

Indicator	Target	2014/15 Actual
Labour force		38,942
Unemployment rate		7%
Labour force participation		43%
Increase in registered businesses	Increase	Decrease 0.3%
Average number of employees per registered business	Increase	Decrease from 6 to 4.3

Principle activities for Strengthening the Economy, as identified in the 2013-2017 Delivery Program





Tweed Coast Comprehensive Koala Plan of Management

4.2.1.1

Tweed Shire Council adopted the Tweed Coast Comprehensive Koala Plan of Management in February 2015.

The Plan has a number of aims including to recover the Tweed Coast population of the koala to at least 200 - 250 koalas over the next three koala generations (15 - 20 years) and increase the total area of Preferred Koala Habitat to at least 2,600 ha in priority areas and linkages.

The Tweed Coast Koala Advisory Group Committee (KAG) also had its last meeting in April 2015 after almost half a decade of successful assistance to Council's Comprehensive Koala Plan of Management.

Achievements in Caring for the Environment

Aim: For Council and the community to value, respect and actively participate in the care and management of the Tweed's natural environment for current and future generations.

Tweed Shire Council Sustainability Strategy

4.1.2.1

Tweed Shire Council's Environmental Sustainability Prioritisation Strategy was adopted in April 2015.

With 80% of Tweed's bushland in high conservation status, more than 50 distinct vegetation communities endangered or under threat and over 100 significant animal species, Council identified a role in protecting and enhancing environmental values for the future.

The strategy focuses on finding the balance where environmental values are enhanced while supporting the economic and social needs of the region, so the Tweed can continue to thrive in both areas.

Focus areas include how the environment can be considered before action is taken, environmental achievements to date, environmental actions over the next five years and how Council will keep track of performance.



Community engagement is carried out for the Environmental Sustainability Strategy in March 2015.

Coastal management

4.4.1.1

Council actively managed 145 hectares of public coastal dunes over the 2014/15 period and all year round maintains 37 kilometres of coastline from Duranbah Beach at the Queensland / New South Wales border to Wooyung Beach in the south.

Sand levels at Kingscliff Beach were substantially increased by a joint project by the NSW Department of Trade and Investment Crown Lands (T&I) and Council.

T&I undertook sand dredging in the Terranora Inlet from 20 April 2015, to improve boating safety for recreational and commercial craft, and most of the dredged sand was made available to replenish Kingscliff Beach.



Sand dredging at Kingscliff.

Saving electricity

4.1.2.1

Tweed Shire Council saved over \$450,000 on electricity use over the past year across all facilities and streetlights in the region.

Energy use has decreased by 18 per cent at Tweed Regional Aquatic Centres, 15 per cent at civic centres, 8 per cent at the Murwillumbah Depot, with a 13 per cent power use reduction at Tweed Regional Gallery.

With an annual electricity bill of around \$4.5 million per year, saving electricity costs is a big focus for Council and replacing old pumps and air conditioning units with more energy-efficient alternatives, installing LED lighting and refining equipment settings to run facilities more efficiently is paying dividends.

Council's water and wastewater treatment plants, water pump stations, pools, civic centres, works depot and art gallery have proactively improved energy consumption at the sites.



Tweed Regional Aquatic Centre Murwillumbah.

Sustainable agriculture

4.2.1.1

Tweed Shire Council has 105 hectares of agricultural land under sustainable management practices.

These include rebalancing nutrient cycles, attracting young farmers to the industry, adapting to peak oil, adapting to climate change, supporting local food systems, mapping agricultural land, making decisions based on sustainable development, protecting village life, strengthening food production in the Tweed, enhancing water management and promoting this sustainable development.



River Health & Biodiversity Grants Program

4.3.1.1

Council rehabilitated seven kilometres of waterways over 2014-2015.

Council's River Health Grants, Biodiversity Grants Program and the Land for Wildlife scheme were a highlight for the year, with 95 landholders participating in a variety of ecological restoration, revegetation and riverbank rehabilitation projects during 2014.

The Biodiversity Grants Program builds relationships with property owners and helps restore farm land by removing weeds such as the camphor laurel tree, which can damage farm pastures, compromise water quality and degrade native habitat.



Greg Silver and Michael Corke on Mr Silver's land, where the Biodiversity Grants Program has helped him rid his property of weeds.

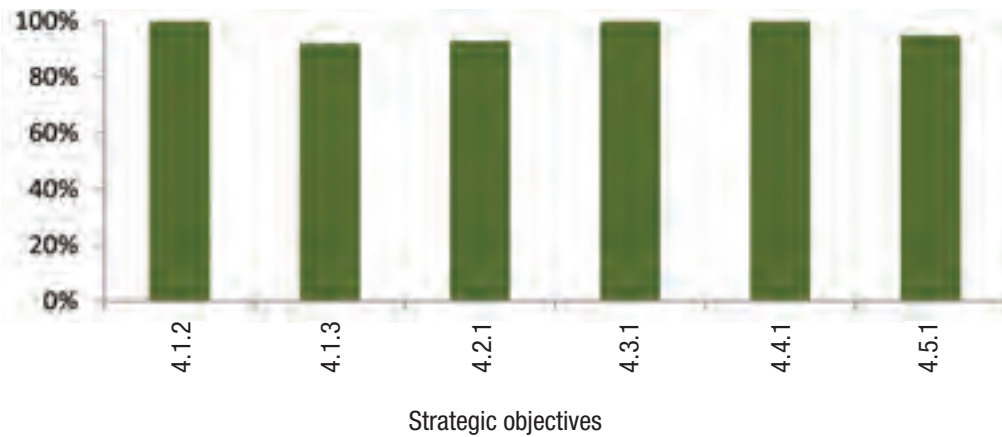


Progress report for 2014-2015: Caring for the Environment

Performance against the Caring for the Environment objectives, identified in the 2013-2017 Delivery Program

2014-2015 result	Budget (\$000)		Actual (\$000)	
	Income	Expenditure	Income	Expenditure
4.1 Protect the environment and natural beauty of the Tweed	2,727	5,179	3,381	5,316
4.2 Conserve native flora and fauna and their habitats	372	2,150	626	2,752
4.3 Maintain and enhance Tweed Shire's waterways and its catchments	108	1,058	247	1,621
4.4 Manage the Tweed coastline to ensure a balance between utilisation and conservation	0	701	0	892
4.5 Improve the environmental capacity of the Tweed agricultural lands	92	139	82	122

2013-2017 Delivery Program: strategic outcomes



2014-2015 Operational Plan: overall performance

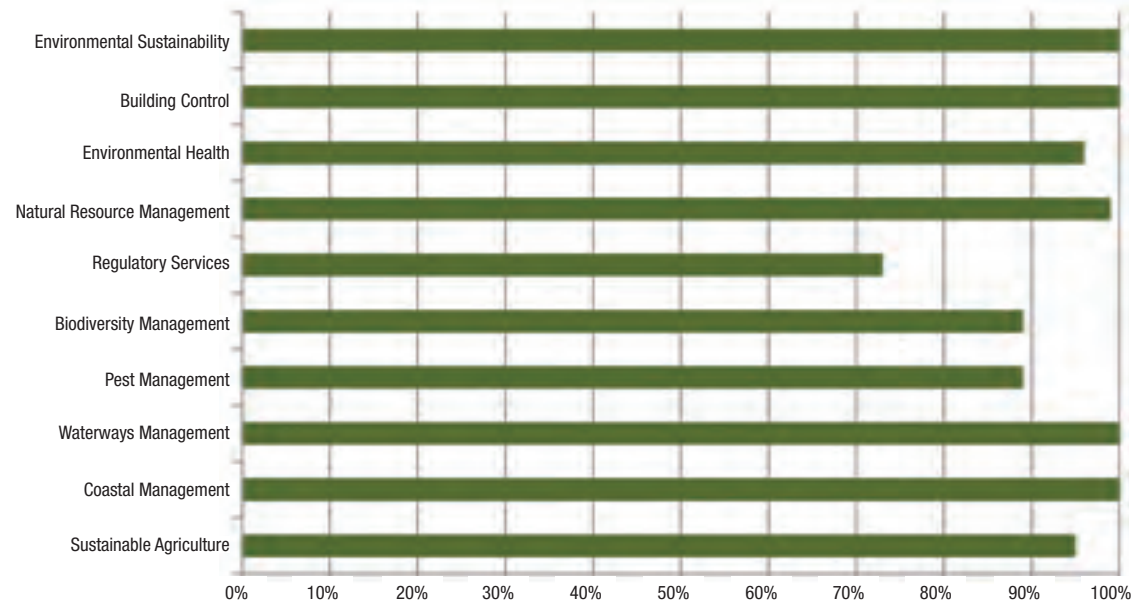


2013/2023 Community Strategic Plan, community indicators

Caring for the Environment

Indicator	Target	2014/15 Actual
Stream bank condition improved through Council-assisted management (total)	5kms annual	7kms
Total megawatt hours of electricity consumption by Tweed Council facilities	5% reduction	3% reduction
Recycled water use	10%	6%
Council controlled bushland under active management (total)	300ha	186ha
Proportion of Council controlled bushland under active (%of total)	10%	9%
Private bushland biodiversity values improved through Council assistance (total)	100ha	200ha
Regional and State significant agriculture land: Total area under best management practice	8,000ha	8,000ha

Performance against the Caring for the Environment objectives, identified in the 2013-2017 Delivery Program





Section 2: Statutory reporting

Summary of legal proceedings

Net legal expenses for the 2014/2015 financial year totalled \$561,263.

Planning and environment law

P.Years = Prior years costs carried forward.

Description of matter	General instructions	Costs		Comments
7 Year Special Rate Variation	Class 4 Appeal Land and Environment Court.	P.Years	\$493,120	In Progress.
		14/15	\$0	Dismissed by Land and Environment Court. Recovery of assessed costs of \$134,058 being pursued.
		Total	\$493,120	
DA10/0160 Tamarind Avenue Bogangar	Seek appropriate advice on section charges.	P.Years	\$11,715	Completed.
		14/15	\$335	Information received. Information sent to all owners regarding status of development consent.
		Total	\$12,050	
Voluntary Planning Agreement, Area E Altitude Aspire	Council resolved on 19 September 2013 to prepare a planning proposal for Lots 2-8 DP 28597 Terranora Road, Terranora, and submit the planning proposal for a Gateway determination.	P.Years	\$27,111	Completed.
		14/15	\$0	Council, at its meeting of 18 September 2014 accepted the Altitude Aspire Voluntary Planning Agreement.
		Total	\$27,111	
DA11/0456 Noble Lakeside	Council resolved on 21 March 2013 to defend Class 1 Appeal.	P.Years	\$361,087	Completed.
		14/15	(\$9,529)	Appeal dismissed December 2013.
		Total	\$351,558	Agreed costs of \$30,000 accepted. Credit received during 2014/15.
DA12/0527 Gollan Drive Tweed Heads (IGA / Seagulls)	Council resolved on 12 December 2013 to defend Class 1 Appeal.	P.Years	\$283,457	Completed.
		14/15	\$21,341	Class 1 Appeal heard in Land and Environment Court. Judgement was Appeal dismissed on 16 July 2014.
		Total	\$304,798	
DA13/0397 Pearl Street Kingscliff	Council resolved on 6 March 2014 to defend Class 1 Appeal in Land and Environment Court.	P.Years	\$3,291	Completed.
		14/15	\$8,495	Judgement was handed down on 21 July 2014 when the Class 1 Appeal was upheld with amended consent.
		Total	\$11,786	
Hacienda Caravan Park	Land and Environment Court - prosecution of van owner for ignoring Notice of Intention to issue Order. Subsequent Order.	14/15	\$30,054	In Progress.
				Matter heard on 12 July 2015. Judgment in favour of Council, respondent to carry out works and pay 75% of Council's costs of the hearing.
Unauthorised excavation Tyalgum	Seek appropriate legal advice to support legal action.	P.Years	\$6,312	Completed.
		14/15	\$4,337	Council resolved on 2 July 2015 to discontinue the proposal to take Class 5 proceedings.
		Total	\$10,354	

Description of matter	General instructions	Costs	Comments
DA14/0164 27-37 Bells Boulevard, Kingscliff	Provide advice on Development Application for dual use of existing tourist accommodation	14/15 \$3,321	Completed. Detailed advice provided on owner's consent requirements.
Boyds Bay Caravan Park	Review conditions of Development Consent.	14/15 \$3,098	Completed. Advice received.
2/1 Beatrice Court, Pottsville DA13/0678	Council resolved on 3 July 2014 to defend a Class 1 Appeal in Land and Environment Court.	14/15 \$25,589	Completed. Conciliation conference conducted on site on 28 & 29 August 2014 resulting in amendments to the Development Application, which then resulted in application being granted consent, subject to conditions.
Tweed LEP 2014	Challenge in Land and Environment Court - amendment to LEP - made in error.	14/15 \$20,432	Completed. LEP changes approved on 24 October 2014. Notice of Discontinuance filed with the Land and Environment Court on 5 January 2015.
Prospero/Colin Streets, Murwillumbah and Clothiers Creek Road, Clothiers Creek.	Class 4 Civil Enforcement action initiated against owner.	14/15 \$115,036	In Progress. On 17 June 2015, consent orders were issued against the other party. Council at its meeting of 16 July 2015 resolved to issue contempt of the consent orders and to seek recovery of costs against both parties.
DA13/05914 and DA13/0594 Enid Street, Tweed Heads.	Defend Class 1 Appeal in Land and Environment Court.	14/15 \$74,390	Completed. Judgment handed down on 6 March 2015 where the Court dismissed both Appeals.
DA13/0201 Depot Road, Kings Forest - Telstra Corporation	Defend the matter in the Land and Environment Court	14/15 \$47,335	Completed. Case determined on 20 November 2014, appeal was upheld, granted consent for the application, subject to conditions.
DA13/0654 40 Queen Street, Fingal	Defend Class 1 Appeal in the Land and Environment Court.	14/15 \$51,895	Completed. Judgment handed down on 28 April 2015 - Appeal upheld and Approval granted, subject to conditions.
Use of waterways and public land	Provide advice on the use of waterways and public land.	14/15 \$6,350	Completed. Advice incorporated into draft policy non- motorised water recreation businesses.
DA13/0618 Willow Avenue, Bogangar	Seek information in compliance with DA approval for restaurant.	14/15 \$2,926	Completed. Information received regarding compliance with DA approval.
DA13/0383 120-126 Chinderah Bay Drive Chinderah	Council resolved on 6 November 2014 to negotiate consent orders or enter into Section 34 agreement.	14/15 \$11,719	Completed. Matter heard on 10 February 2015. Approval granted in accordance with Draft Conditions of Consent.
DA13/0440 5 Knox Court, Kingscliff	Request advice on being able to approve some elements of a S96 Application.	14/15 \$4,803	Completed. Detailed advice provided in approving a S96 Application.

Description of matter	General instructions	Costs		Comments
137 Adcocks Road, Stokers Siding	Council at its Planning Committee Meeting held on 4 December 2014 resolved to institute Class 4 Action for construction of illegal earthworks.	14/15	\$4,214	In Progress. Evidence being gathered for Council's Solicitor to institute action.
DA14/0892 Wooyung Road, Wooyung	Staged developed for dwelling house - associated works.	14/15	\$1,967	Completed. Advice provided in relation to DA14/0892 being a staged Development Application.
DA03/0445.02 Urliup Road, Urliup	Provide advice on options for enforcement.	14/15	\$1,532	Completed. Advice provided on options for implementing compliance with Development Consent conditions.
Casuarina Town Centre	S94 credits assignment.	14/15	\$590	Completed. Detailed advice provided on Council's agreement to assign S94 credits to 2 separate entities.
DA14/0164 27-37 Bells Boulevard, Dual use of existing tourist accommodation	Provide advice on Planning Committee rescission motion.	14/15	\$5,154	Completed. Detailed advice provided and considered at Council's Extraordinary Meeting held 12 February 2015.
Pottsville Road Sleepy Hollow No approval for dwelling or Shed	Provide advice on appropriate response to Complainant.	14/15	\$1,407	Completed. Detailed advice received and response sent to complainant
DA14/0164 27-37 Bells Boulevard, Dual use of existing tourist accommodation	Defend Class 1 Appeal in Land & Environment Court.	14/15	\$10,853	In Progress. Matter was listed for case management on 12 June 2015. Matter now listed for a further case management hearing on 31 August 2015
136-150 Dry Dock Road Tweed Heads	Provide advice on the proposed development of a general store.	14/15	\$3,030	Completed. Detailed planning advice received. Reported to Council's meeting of 4 December 2014. Development Application approved at Planning Committee meeting of 5 February 2015.
Cobaki Development	General advice.	14/15	\$2,625	Completed. Advice provided.
New Voluntary Planning Agreement - Pottsville employment land	Prepare new Voluntary Planning Agreement for 39 Kudgerie Avenue, Cudgera Creek.	P.Years 14/15 Total	\$10,054 \$0 \$10,054	Completed. Matter reported to May 2015 Planning Committee meeting.
LEDA seeking copy of advice provided to council re: Land and Environment Court proceedings, 80 Depot Road, Kings Forest	Provide advice on the question of whether LEDA could be provided with a copy of solicitor's advice.	14/15	\$0	Completed. Advice provided and considered by council at its meeting held 16 October 2014.

Local Government law (litigation and advice)

Description of matters	General instructions	Costs	Comments
Local government	General advice.	14/15 \$11,584	Completed. Advice provided.
Appeal against Oakvale Capital Ltd ACN 009 070 884	Commence proceedings in Federal Court in claim against security bond.	P.Years \$63,933 14/15 \$30,739 Total \$94,672	Completed Deed of settlement signed on 10 April 2015 now finalised, reported to Council Meeting of 18 June 2015.
Provide advice relating to legal options available to Council to respond to CSG	Provide appropriate advice.	14/15 \$4,067	Completed. Advice received and considered by Council at its meeting held on 11 December 2014.
Review Council documentation and provide advice on Breach of Companion Animals Act - Dangerous Dog	Provide appropriate advice in proceeding with the matter.	14/15 \$11,880	Completed. Advice received penalty infringement action implemented.
Leda - Cobaki Development	Assist with dealings with Leda. Matter pertaining to the Cobaki Development.	14/15 \$1,600	Completed. Assistance provided in dealing with matter.
Provide advice on GIPAA Applications	Provide appropriate advice.	P.Years \$8,822 14/15 \$4,223 Total \$13,045	Completed. Advice received and information supplied to NCAT. NCAT decision on 26 March 2015 to release documents with redaction.
Flood Plain Risk Management Plan	Provide appropriate advice.	14/15 \$3,122	Completed. Advice provided on the Plan.
NCAT/GIPAA and Independent Chair Panel Review matters.	Prepare/review documents and associated activities.	14/15 \$3,198	Completed.. Advice provided.
Council power in dealing with unregistered vehicles	Provide appropriate advice with particular reference to the Impounding Act.	14/15 \$2,444	Completed. Detailed advice received on Council's legislative powers in dealing with unregistered vehicles.
Extension of Waste Services Contract	Provide detailed advice on extension of Waste Services Contract.	14/15 \$3,330	Completed. Detailed advice received on Council's legislative powers in dealing with an extension of Waste Services Contract.
Boyd's Bay Caravan Park	Provide appropriate advice with particular reference to SEPP 21 & Local Government (Caravan Park) Regulation 2005.	14/15 \$1,500	Completed. Detailed advice received.
7 Year Special Rate Variation	Recovery of assessed costs.	14/15 \$13,775	In Progress. Action to recover assessed costs.

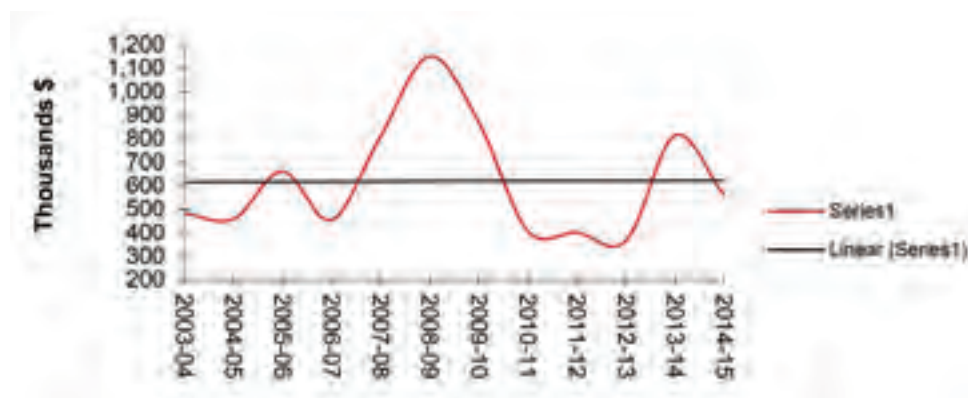
Commercial Property Law

Description of matter	General instructions	Costs		Comments
The Anchorage Lease with Lend Lease	Review Lease Conditions - tenants obligation to maintain and repair.	14/15	\$3,575	Completed. Lease conditions agreed, Lend Lease now proceeding with maintenance/repair activities.

District / Local Court matters

Description of matter	General instructions	Costs		Comments
Hacienda and Homestead Caravan Park compliance matters	Council resolved on 24 January 2012 to seek legal advice on breach of legislation to operate the Homestead Caravan Parks.	P.Years 14/15 Total	\$40,818 \$7,500 \$48,318	In Progress Land and Environment Court decision of 30 January 2015 dismissed Council's appeals and costs were awarded against Council with 28 days to pay. One claim for costs has been lodged with Council. \$7,500 paid.
68 Oyster Point Road, Banora Point	Prosecute owner in the Local Court for development works without consent.	14/15	\$773	Completed. Matter heard in Local Court - owner was convicted of the offence, fined and ordered to pay Council's costs of the prosecution.
2 Willow Avenue, Bogangar	Prosecution for offence of "development without consent".	14/15	\$1,864	Completed. Judgement handed down on 2 October 2014 where the Defendant was convicted of the offence "development without consent", fined and ordered to pay professional costs.
Local and District Court Appeals	Defend Appeal issues in Local and District Court.	P.Years 14/15 Total	\$3,360 \$2,790 \$6,090	In Progress Matter listed for mention on 20 July 2015.

Annual comparison of legal costs



Councillor fees and expenses

Payments of Mayoral and Councillor expenses were in accordance with the Tweed Shire Council Policy: *'Councillors – Payment of Expenses and Provision of Facilities for Mayor and Councillors'*.

General fees and expenses

Item	Amount
Details	
Councillor and Mayoral fees	\$164,620
Mayoral vehicle	\$14,815
Councillor Policy provisions and expenses	\$37,614
Administration support and meals	\$86,758
Insurance	\$56,368
Reportable items	
Provisions for dedicated office equipment	\$859
Telephone and internet	\$15,652
Conferences and seminars attended	
Intrastate training attended	\$13,183
Interstate visits representing Council	\$13,004
Overseas visits representing Council	\$0
Spouse expenses	\$0
Child care expenses	\$0
TOTAL EXPENSES	\$402,873

Conferences and seminars attended

Intrastate	Location
7th Making Cities Liveable Conference	Kingscliff
Australian Academy of Science Fenner Conference on the Environment	Sydney
Local Government NSW Annual Conference 2014	Coffs Harbour
North Coast Energy Forum	Cabarita
NSW Coastal Conference	Ulladulla
IMAGinE Awards	Redfern
LGNSW Inaugural Mayors' Weekend Seminar	Sydney
A Global Destination for the World of Business 2014	Sydney
Councillor Training - LGNSW	Murwillumbah
Australian Local Government Women's Association (ALGWA) Conference	Wollongong
Mayors' Weekend Seminar	Sydney
IAP2 Community Engagement Training	Chinderah
Northern Rivers Rail Trail	Sydney

Interstate	Location
CBD & Town Centre Design and Revitalisation Conference	Melbourne
Australian Coastal Councils Conference	Mornington Peninsula
Workshop – Blue Economy Business Opportunities	Brisbane
National General Assembly of Local Government	Canberra

Senior staff remuneration

Tweed Shire Council employed a General Manager and four Senior Staff positions to 30 June 2015 with a total remuneration of \$969,331. Position (contract term).

General Manager (23/12/2013 - 22/12/2018)

Item	Amount
Salary	\$268,232
Bonus payments	\$0
Superannuation	\$18,784
Motor vehicle (non cash)	\$15,015
Fringe benefits tax	\$0
Total package	\$302,031

Senior staff

- Director Engineering (15/07/2013 - 14/07/2018)
- Director Community and Natural Resources (27/10/2014 - 26/10/2017)
- Director Planning and Regulation (15/07/2013 - 14/07/2018)
- Director Corporate Services (27/01/2015 - 26/01/2020)

Note: Vacancies existed during the year and as such, the below amounts do not represent a full 12 months for all four positions.

Senior staff packages - permanent positions

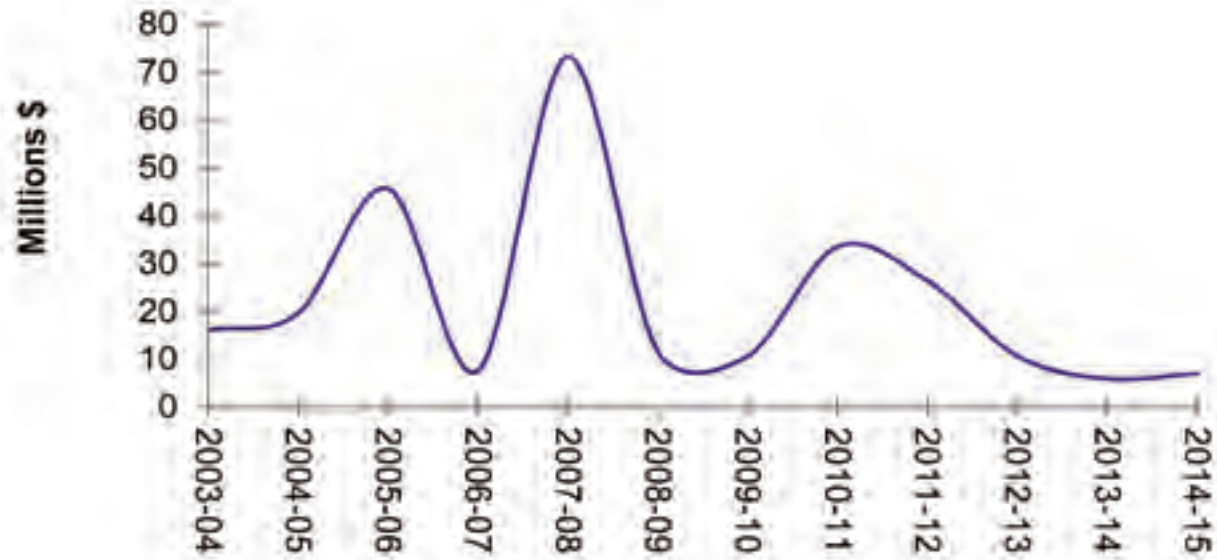
Item	Amount
Salary	\$579,166
Bonus payments	\$0
Superannuation	\$46,940
Motor vehicle (non cash)	\$41,194
Fringe benefits tax	\$0
Total package	\$667,300

Details of contracts awarded by Council

Council awarded nineteen (19) contracts exceeding \$150,000 during 2014/2015 totalling \$6,942,041.

Contract number	Nature of contract	Supplier name	Date	Value
EC2014-026	Arkinstall Park 500kVA Power Supply Design & Install	NJ Construction Pty Ltd	10-Apr-14	\$239,652.05
EC2014-053	Provision of Specialist Museum Standard Display Units	Tashco Systems Pty Ltd	19-Jun-14	\$189,181.82
EC2014-048	Supply and Laying of Asphalt Resurfacings	East Coast Asphalt and Concrete Edging Pty Ltd	19-Jun-14	\$663,857.40
EC2014-066	Urliup Road Retaining Structure	Crosana Pty Ltd	27-Aug-14	\$185,521.60
EC2014-095	Supply, Construction, Testing and Commissioning of Sewer Pipelines and Associated Works at Mount Ernest Crescent Murwillumbah and Grassmere Court Banora Point	Demacs Construction (Aust) Pty Ltd 5/38 Enterprise Avenue Tweed Heads South NSW 2486	22-Aug-14	\$267,472.00
EC2014-118	Asphalt Surfacing of Tweed Valley Way at Leddays Creek	East Coast Asphalt and Concrete Edging Pty Ltd	18-Sep-14	\$150,672.50
EC2014-132	Supply, Construction, and Testing of Sewer Rising Mains and Associated Works at Overall Drive (SEW 18) and Tweed Coast Road (SEW 32) Pottsville	Demacs Constructions (Aust) Pty Ltd	17-Oct-14	\$742,921.01
EC2014-154	Asphalt Works for Kennedy Drive Stage 2	East Coast Asphalt and Concrete Edging Pty Ltd	21-Nov-14	\$646,267.35
EC2014-143	Supply of One Tool Carrier Loader complete with Attachments, Operating Capacity 4,000Kg>5,000Kg	Komatsu Australia Pty Ltd PO Box 178 Brisbane Market QLD 4106	11-Dec-14	\$265,115.40
EC2014-094	Supply and Installation of Arkinstall Park Solar Powered Street Light System	Desire Contractors Pty Ltd	11-Dec-14	\$198,215.60
EC2014-142	Rehabilitation of Sewer Mains	Reline Solutions Pty Ltd	23-Jan-15	\$717,432.45
EC2014-183	Design and Installation of Bridge Piles for Two Bridges on Cobaki Road	Piling & Concreting Australia (PCA) Pty Ltd	03-Feb-15	\$175,297.87
EC2014-181	Jim Devine Soccer Changeroom	Desire Contractors Pty Ltd	23-Jan-15	\$238,516.65
EC2014-170	Supply and Spray Asphalt Rejuvenation Agent	Downer EDI Works Pty Ltd	04-Feb-15	\$160,819.17
EC2014-172	Slope Stabilisation of Tomewin Road and Numinhah Road	Geo Stabilise Pty Ltd	26-Feb-15	\$283,062.25
EC2015-006	Rowlands Creek Road Slip Repair	Earthtec Pty Ltd ABN 25 903 558 582	08-Apr-15	\$260,480.00
EC2015-007	Supply of Two (2) Backhoe Loaders Complete with Attachments	Komatsu Australia Pty Ltd ABN 71 143 470 626	23-Mar-15	\$373,758.00
RFP2015-032	Supply and Delivery of Prestressed Concrete Bridge Beams and Concrete Piles for New Bridge over Dumbible Creek Mistral Road Murwillumbah	Enco Precast Pty Ltd ABN 56 072 772 037	24-Mar-15	\$315,265.50
RFP2015-062	Construction of Knox Park Youth Precinct	VFG Skateparks ABN 51 656 509 153	18-Jun-15	\$868,532.80

Annual comparison of contracts awarded



Financial assistance contributions to the community

Grants provided by Council under Section 356 on the Local Government Act 1993 (NSW) during the 2014/2015 Year are shown below.

Tweed Shire Council Provides financial assistance contributions to the community via the following Policies:

Donations (Financial Assistance)

Tweed Shire Council recognises a need to assist community organisations and individuals that are interested in and working towards the enhancement and the wellbeing of its residents. Council advertises twice yearly in the Tweed Link inviting applications under its Donations (Financial Assistance) Policy. A panel comprising two senior Council officers and the Mayor reviews applications to determine eligibility and make recommendations to Council.

Festivals and Events Policy

The Tweed Community Strategic Plan identifies the vision for the Tweed is to be recognised for its desirable lifestyle, strong community, unique character and environment and the opportunities its residents enjoy. Events of all shapes and sizes contribute to achieving that vision through supporting community life, strengthening the economy and promoting caring for the environment.

The provision of financial assistance and in kind support to festivals and events supports the overall aims of Council and those objectives identified in Council's Events Strategy. Applications are assessed in relation to the Events Strategy and Council's broad objectives and plans. In kind support from Council can include: the loan of equipment, assistance with services to events held on Council administered land and assistance to events with notifications to residents and promotions through the Tweed Link and the Contact Centres.

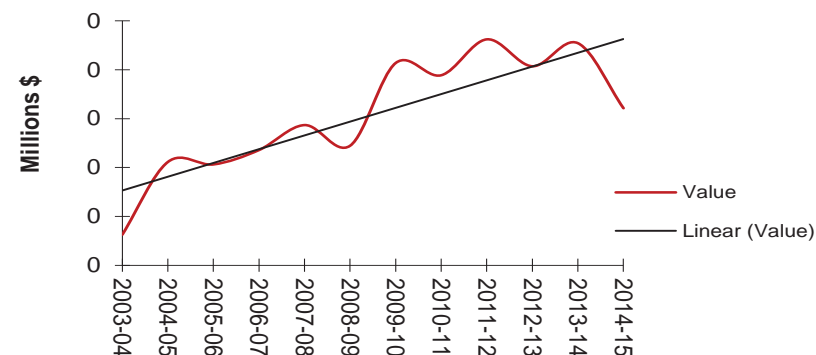
Financial Assistance to Licensed Not for Profit Native Animal Welfare Groups

This policy establishes principles to enable financial assistance, on an annual basis, to be provided to licensed not for profit groups who provide care and rehabilitation to injured native wildlife. Consideration is given to the allocation of funding in accordance with the number or variety of native species that each group is licensed to provide assistance. As an indication, base line funding for the care and rehabilitation of one species may commence at \$2500 per annum, to a maximum of \$5000 per annum to groups licensed in providing services to more than one native species.

The total value of financial assistance provided during 2014/15 is summarised in the below table:

Assistance	Value
Financial assistance	\$261,721
Goods and or materials	\$1,861
Provision of labour and or plant and equipment	\$15,857
Rates	\$22,217
Tweed Link advertising	\$4,117
Room hire	\$4,894
Total assistance	\$310,667

Annual comparison of financial grants assistance



Written off rates and charges

Council during the reporting period resolved to write off \$3,507,443.47 in rates and charges:

Rate classification	Items written off	Total
Pensioner rates	Farmland	\$33,476.22
	Residential	\$1,649,180.89
Water & Sewerage rates	Pensioner Water Rates	\$688,780.28
	Pensioner Sewerage Charges	\$664,664.11
Pensioner Waste Charges	Service	\$313,008.69
	Administration	\$87,237.20
	Landfill	\$71,096.08
Total written off		\$3,507,443.47

External bodies delegated functions by Council

The following external bodies are delegated to exercise functions of Council:

External body	Function
Destination Tweed	Tourism and development in the Tweed
Far North Coast County Council	Weed control
Landcare and dune care groups	Land care and weed control
Lismore City Council - Richmond Tweed Regional Library	Library services

Overseas travel

Council's Gallery Director, Susi Muddiman OAM attended the 2015 Art Basel - Hong Kong Art Fair in March 2015, and Council acknowledges a financial contribution from the Friends of the Tweed Regional Gallery and Margaret Olley Arts Centre which was applied to the purchase of airfares.

Companies of which Council held a controlling interest

Council did not hold a controlling interest in any private company during the 2014-2015 financial year.

Annual levy for stormwater management services

Council did not introduce an annual stormwater management levy for the year ending 30 June 2015.

Annual charge for coastal protection services

Council did not introduce an annual levy for coastal protection services for the year ending 30 June 2015.

Summary of works on private land

Tweed Shire Council did not carry out any work on private land that was fully or partly subsidised by Council during the year ending 30 June 2015.

Statement of Partnerships, Cooperatives or Other Joint Ventures

This section outlines the partnerships, cooperatives and joint ventures in which Council was involved in 2014-2015.

External body	Function
Arts Northern Rivers	A joint venture between Tweed Shire Council, Byron Shire, Ballina Shire, Clarence Valley Council, Kyogle Shire and Lismore City Council to facilitate and deliver regional cooperative ventures and cultural services.
Community Development and Support Expenditure (CDSE) scheme	A joint venture between the Tweed Clubs to facilitate the delivery of funds to cultural and social organisations for the benefit of the residents in the Tweed.
MyRoadInfo	The Northern Rivers Regional Organisation of Councils which Tweed is member, has partnered with the Roads and Maritime Services to provide a website of road conditions.
North East Weight Load Group ('NEWLOG')	A joint venture with other North Coast Councils to control overloading of vehicles on local roads.
Northern Rivers Catchment Management Authority	Council works with the Northern Rivers Catchment Management Authority ('NRCMA') to implement natural resource management projects throughout the Shire. In certain cases Council contributes funding to the NRCMA which they allocate to on-ground component of riparian rehabilitation projects under their management. The NRCMA have funded planning components of projects subsequently delivered on-ground by Council.
Northern Rivers Regional Organisation of Councils	Tweed Shire Council, in conjunction with Ballina, Byron, Kyogle, Lismore and Richmond Valley councils is a member of the Northern Rivers Regional Organisation of Councils (NOROC). NOROC's priorities are to: provide a forum for cooperative action on issues of regional significance and concern to local government requiring advocacy and/or political representation and act as an advocate for the region to the Commonwealth and New South Wales Governments to advance the interests of the Region
Richmond-Tweed Regional Library	A joint funding relationship through the Richmond-Tweed Regional Library (involving Lismore, Ballina, Byron and Tweed Shire Councils) to provide library services to the Shire.
Southern Cross University (SCU)	Council has an MoU with SCU which includes collaboration on a range of issues to enhance the reputation and industry standing of both organisations and to better service the needs of the Tweed Shire community. The MoU seeks to: <ul style="list-style-type: none"> • Foster the continued growth and success of the University and Tweed Shire Council • Improve access for citizens of the Tweed Shire to the educational and other services provided by the University • Improve the linkages between the University and the community, through the Tweed Shire council • Improve the efficiency, effectiveness and innovation of both organisations.
State Cover	Self insurance pool covering workers compensation. The scheme established by the Local Government and Shire Association consists of most Councils through the State of New South Wales.
Statewide Mutual	A self insurance pool covering public liability and professional indemnity insurance. The scheme established by the Local Government and Shire Association consists of most Councils throughout the state of New South Wales. Its purpose is to reduce insurance costs to members.
State Forests of NSW	A joint venture hardwood plantation with New South Wales State Forests.
Tweed Coolangatta Crime Prevention Action Team	A joint venture between Tweed Shire Council and Gold Coast City Council and other relevant State and Non-Government Organisations ('NGO') to advise on crime prevention matters.

Equal employment opportunity

Tweed Shire Council demonstrates its commitment to the principles of Equal Employment Opportunity (EEO) through the development of systems and processes to eliminate all forms of discrimination, harassment and bullying from the workplace.

Tweed Shire Council is committed to providing a supportive and inclusive workplace in which decisions regarding employees is not influenced by gender, disability, race, age, religion or any other attributes. The adopted Equal Employment Opportunity Management Plan provides the framework to develop a workplace culture that is supportive of employment equity and diversity principles. The EEO Management Plan is implemented and monitored by the Equal Employment Opportunity sub-committee.

This sub-committee reports to its parent committee, the Consultative Committee.

Council has 13 EEO Contact Officers who have been trained by the Anti-Discrimination Board of NSW to assist with ensuring that the workplace is free from all forms of discrimination, harassment and bullying by providing an accessible first point of contact for staff with concerns. The EEO Contact Officers are Council employees who volunteer their time to undertake this important role.

EEO sub-committee members have invited representatives of identified EEO groups to speak to them on access and inclusion issues.

This helped raise the sub-committees awareness of contemporary issues facing minority groups and what strategies could be considered by Council to improve its profile as an employer of choice.

EEO strategies have been developed to increase the participation of identified EEO groups, including but not limited to Aboriginal and Torres Strait Islander people; people from culturally and linguistically diverse backgrounds; people with a disability; and women.

These strategies include the identification of suitable positions upon vacancy, to designate as identified target group positions.

During 2014-2015:

- All EEO Protocols were reviewed against Anti-Discrimination Board best practice, revised and adopted.
- Guidelines for Grievance Handling for EEO Contact Officers and Support Persons; and Grievance Handling for Managers and Supervisors, were developed and implemented.
- All new Council employees undertook online Code of Conduct and Work Health and Safety Induction training before commencement.
- Post-commencement, all new employees participated in Council's "Reflect Respect" program.
- EEO information, posters and materials promoting non-discriminatory behaviour in the workplace were displayed at all work sites.
- Two designated indigenous office-based traineeships were implemented.
- One designated disability office-based position was implemented.

Council recorded a 6.65% labour turnover rate for the 2014-15 financial year with females constituting 28.22%; Aboriginal and Torres Strait Islander people 2.58%; people whose first language is not English 2.14%; and people with a disability 1.15%.

Companion Animals Act and Regulations

This section relates to activities associated with requirements of the Companion Animals Act and Regulation.

Statement of activities:

- Tweed Shire Council submitted all pound data returns to the Office of Local Government by the required lodgement date.
- Forty eight (48) dog attacks were reported to the Office of Local Government for the year ending 30 June 2015.
- A total of \$89,272 was generated from the management of companion animals. Income received was used only for purposes that relate to the management and control of companion animals in Council's regulatory area. Including:
 - Impounding Facility management and maintenance,
 - The purchase and maintenance of resources (e.g. catch poles) used by Council's Rangers,
 - Contribution towards wages paid to employees at the Impounding Facility.
- In conjunction with Friends of the Pound, "Doggy Bag" dispensers have been developed and installed in three of the Shire's off leash areas (Amaroo Park Banora Point, Turnock Park Chinderah and River Park Murwillumbah)
- Council responded to 92 reports of dog attacks in the 2014/2015 financial year.
- Council undertook companion animal education programs at:
 - Education talks to the general public during micro-chipping field days and
 - Educational information published in Council's weekly newspaper, the Tweed Link, delivered to all residents in the Shire.
- To promote and assist in the de-sexing of dogs and cats the following strategies were followed:
 - All animals sold from the Tweed Council Pound were desexed before release and
 - Animals released (back) to their owners from the Tweed Council Pound, the owners were given the opportunity to have the animal desexed at reduced rates.
 - In conjunction with the RSPCA and the volunteer organisation Friends of the Pound, Council carried out a de-sexing week where reduced fees for cat or dog de-sexing was offered.
- To comply with the requirements under section 64 of the Companion Animals Act and seek alternatives to euthanasia for unclaimed animals the following strategy has been applied:
 - Animals that meet the criteria to be re-homed, after behavioural assessment and veterinarian checks, were offered for sale to the public or re-homed through various animal welfare organisations such as Friends of the Pound.

There are 15 off-leash animal exercise areas in the Tweed Shire:

- South Kingscliff Beach
- Boyds Family Park, Tweed Heads West
- Public park, Frangella Dr. Murwillumbah
- Public park between 73-89 River Street Murwillumbah
- South Cabarita Beach
- South Pottsville Beach
- South Fingal / Kingscliff Beach
- Corowa Park corner of Chinderah Road and Terrace Street, Chinderah
- Turnock Park Chinderah
- Riverbank reserve Old Ferry Rd. Oxley Cove
- Reserve corner of Naponyah Rd and Bilambil Rd Terranora
- Tree area Arkinstall Park Tweed Heads South
- Unnamed reserve corner of Darlington Dr and Amaroos Dr Banora Point
- Unnamed reserve at Bushland Dr. Banora Point
- Ducat Park, Tweed Heads

Privacy Management Plan statement

Tweed Shire Council is committed to protecting the privacy of individuals and their personal information and has adopted a Privacy Management Plan (version 1.3) in accordance with the Privacy and Personal Information Protection Act 1998 (NSW) and Health Records and Information Privacy Act 2002 (NSW).

The law requires Council to hold personal information in registers about Councillors and staff and personal information concerning rate payers, residents and customers. Council may collect and hold personal health information of its employees. Council is bound by legislation to protect personal information from misuse, unauthorised access and unlawful modification. Council's Privacy Contact Officer must ensure Council is compliant with privacy legislation.

The role of Council's Privacy Contact Officer is to ensure:

1. Collection of personal information is:
 - Only collected for the lawful need to carry out Council's functions;
 - Directly from an individual or their agent or indirectly from a third party when legislation requires;
 - Made known to the individual providing their personal information; and
 - Limited to only relevant information to avoid intrusion into a person's personal affairs.
2. Inquiry about personal information is permitted by:
 - Anyone to find out if Council holds their personal information;
 - Anyone to get a copy of their personal information held; and
 - Anyone to amend their personal information to correct any errors.
3. Council will use personal information:
 - Only when the personal information is accurate and correct;
 - Only for the purpose the personal information was collected; or
 - Only for another purpose if the individual for whom the information belongs consents to their personal information being used for another purpose.
4. Council will suppress personal information from public registers:
 - On request of an individual in threat of their own or their family's personal safety.
5. Council will disclose personal information only:
 - To the person to whom the information belongs; or
 - To another person only: To prevent or lessen a serious and imminent threat to the life or health of the person to whom the information belongs;
 - When the personal information is held in a public register and the purpose for release is the same as the purpose of the register; and
 - When the personal information is held in a non-public register, the information cannot generally be released unless strict legislative conditions are met.

Public Interest Disclosures

1 Commentary on Public Interest Disclosure (PID) Obligations

Under the Public Interest Disclosure Regulation, Tweed Shire Council provides the following comments in relation to the following two areas.

1.1 Whether the public authority has an internal reporting policy in place.

Tweed Shire Council on 19 February 2015 adopted its “Internal Reporting (Public Interest Disclosures) version 1.1” Policy which is accessible on its web page at <http://www.tweed.nsw.gov.au/Policies/>.

1.2 What actions the head of the public authority has taken to ensure his or her staff awareness responsibilities under section 6E(1)(b) of the PID Act have been met.

When new staff are inducted into the organisation they are informed of this Policy and its location for future reference.

An article on Public Interest Disclosures was included in the staff newsletter for the information of both office and field based staff highlighting the ethical and accountable conduct required in the workplace.

2 Statistical information on PIDs

No public officials made a PID to their authority, no PIDs were received and no PIDs were finalised in the reporting period between 1 July 2014 to 30 June 2015.

Government Information (Public Access) Act 2009 NSW

1. Review of proactive release program - Clause 7(a)

Under Section 7 of the Government Information (Public Access) Act 2009 (NSW), ('GIPA') Council must review its programs for the release of government information and identify the kinds of information that can be made publicly available. This review must be undertaken at least once annually.

Tweed Shire Council during the financial year reviewed its program for the proactive release of information that includes release of information in Council newsletters and on its internet website. Council reviewed information available on its internet website to ensure availability. Council established a Customer Contact Centre with the purpose of assisting the public in obtaining Council information. A Right to Information Officer also provide assistance to the public to proactively obtain Council information.

Council proactively releases the following information: policy documents, general documents, guidelines, plans, reports and other documents upon adoption by Council.

2. Number of access applications received - Clause 7(b)

During the year Council received a total of 11 formal access applications (including withdrawn applications but not invalid applications).

3. Number of refused applications for Schedule 1 information - Clause 7(c)

No formal access applications were refused during the year.

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

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	2	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	2	0	0	0	0	0	0
Members of the public (other)	0	5	0	1	1	0	0	0
TOTALS	0	9	0	1	1	0	0	0

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	0	0	0	0	0	0
Access applications (other than personal information applications)	0	4	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	5	0	1	1	0	0	0
TOTALS	0	9	0	1	1	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). The total number of decisions in Table B should be the same as Table A.

Table C: Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	2
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	2
Invalid applications that subsequently became valid applications	0

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

Consideration	Number of times used
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	1
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
TOTAL	1

*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 Section 14 of the Act

Consideration	Number of times when application unsuccessful
Responsible and effective government	1
Law enforcement and security	0
Individual rights, judicial processes and natural justice	7
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
TOTAL	8

Table F: Timeliness

Timeframe	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	11
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
TOTAL	11

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)¹

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

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

Reason for review	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see Section 54 of the Act)	1

¹ The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.



Section 3: Financial statements



Tweed Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2015

"TOGETHER FORWARD"



TWEED
SHIRE COUNCIL

Tweed Shire Council

General Purpose Financial Statements

for the financial year ended 30 June 2015

Contents	Page
1. Understanding Council's Financial Statements	2
2. Statement by Councillors & Management	3
3. Primary Financial Statements:	
- Income Statement	4
- Statement of Comprehensive Income	5
- Statement of Financial Position	6
- Statement of Changes in Equity	7
- Statement of Cash Flows	8
4. Notes to the Financial Statements	9
5. Independent Auditor's Reports:	
- On the Financial Statements (Sect 417 [2])	94
- On the Conduct of the Audit (Sect 417 [3])	96

Overview

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

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

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 29 October 2015. Council has the power to amend and reissue these financial statements.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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 and Community.

What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2015.

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

Council's financial statements are required to be audited by external accountants (that generally specialise 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 and position, and
2. Their observations on the conduct of the Audit including commentary on the Council's financial performance and financial position.

Who uses the Financial Statements ?

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

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

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

Tweed Shire Council

General Purpose Financial Statements for the financial year ended 30 June 2015

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.

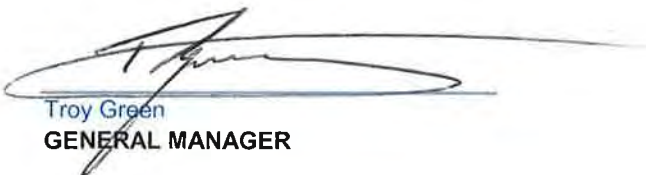
Signed in accordance with a resolution of Council made on 29 October 2015.



Katie Milne
MAYOR



Carolyn Byrne
COUNCILLOR



Troy Green
GENERAL MANAGER



Michael Chorlton
RESPONSIBLE ACCOUNTING OFFICER

Tweed Shire Council

Income Statement

for the financial year ended 30 June 2015

Budget ¹ 2015	\$ '000	Notes	Actual 2015	Actual 2014
Income from Continuing Operations				
Revenue:				
94,366	Rates & Annual Charges	3a	95,698	90,566
37,655	User Charges & Fees	3b	40,501	41,039
9,184	Interest & Investment Revenue	3c	8,936	8,747
1,582	Other Revenues	3d	4,044	2,456
15,896	Grants & Contributions provided for Operating Purposes	3e,f	20,195	15,921 ²
23,223	Grants & Contributions provided for Capital Purposes	3e,f	45,482	45,629
181,906	Total Income from Continuing Operations		214,856	204,358
Expenses from Continuing Operations				
46,710	Employee Benefits & On-Costs	4a	50,163	46,823
13,041	Borrowing Costs	4b	13,650	13,882
50,946	Materials & Contracts	4c	44,330	56,661
41,368	Depreciation & Amortisation	4d	45,043	43,678
-	Impairment	4d	-	-
14,708	Other Expenses	4e	13,303	14,532
-	Net Losses from the Disposal of Assets	5	5,681	4,588
-	Net Share of interests in Joint Ventures & Associates using the equity method	19	-	-
166,773	Total Expenses from Continuing Operations		172,170	180,164
15,133	Operating Result from Continuing Operations		42,686	24,194
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
15,133	Net Operating Result for the Year		42,686	24,194
15,133	Net Operating Result attributable to Council		42,686	24,194
-	Net Operating Result attributable to Non-controlling Interests		-	-
(8,090)	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		(2,796)	(21,435)

¹ Original Budget as approved by Council - refer Note 16

² Financial Assistance Grants for 13/14 were lower reflecting a one off timing difference due to a change in how the grant was paid in prior years - refer Note 3 (e)

Tweed Shire Council

Statement of Comprehensive Income

for the financial year ended 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014
Net Operating Result for the year (as per Income statement)		42,686	24,194
Other Comprehensive Income:			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	86,714	67,975
Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	(239)
Total Items which will not be reclassified subsequently to the Operating Result		86,714	67,736
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
Nil			
Total Other Comprehensive Income for the year		86,714	67,736
Total Comprehensive Income for the Year		129,400	91,930
Total Comprehensive Income attributable to Council		129,400	91,930
Total Comprehensive Income attributable to Non-controlling Interests		-	-

Tweed Shire Council

Statement of Financial Position

as at 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	11,517	16,407
Investments	6b	123,898	78,564
Receivables	7	17,501	25,720
Inventories	8	919	899
Other	8	645	664
Non-current assets classified as "held for sale"	22	-	-
Total Current Assets		154,480	122,254
Non-Current Assets			
Investments	6b	99,817	98,739
Receivables	7	77	285
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	2,865,618	2,767,565
Investments accounted for using the equity method	19	-	-
Investment Property	14	-	-
Intangible Assets	25	106	419
Total Non-Current Assets		2,965,618	2,867,008
TOTAL ASSETS		3,120,098	2,989,262
LIABILITIES			
Current Liabilities			
Payables	10	14,927	14,070
Borrowings	10	7,221	7,251
Provisions	10	18,250	16,576
Total Current Liabilities		40,398	37,897
Non-Current Liabilities			
Payables	10	416	405
Borrowings	10	177,072	178,247
Provisions	10	5,765	5,666
Total Non-Current Liabilities		183,253	184,318
TOTAL LIABILITIES		223,651	222,215
Net Assets		2,896,447	2,767,047
EQUITY			
Retained Earnings	20	1,318,584	1,275,898
Revaluation Reserves	20	1,577,863	1,491,149
Council Equity Interest		2,896,447	2,767,047
Non-controlling Equity Interests		-	-
Total Equity		2,896,447	2,767,047

Tweed Shire Council

Statement of Changes in Equity
for the financial year ended 30 June 2015

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non- controlling Interest	Total Equity
2015						
Opening Balance (as per Last Year's Audited Accounts)		1,256,878	1,491,149	2,748,027	-	2,748,027
a. Correction of Prior Period Errors	20 (c)	19,020	-	19,020	-	19,020
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/14)		1,275,898	1,491,149	2,767,047	-	2,767,047
c. Net Operating Result for the Year		42,686	-	42,686	-	42,686
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	86,714	86,714	-	86,714
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Other Movements	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	86,714	86,714	-	86,714
Total Comprehensive Income (c&d)		42,686	86,714	129,400	-	129,400
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		1,318,584	1,577,863	2,896,447	-	2,896,447

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non- controlling Interest	Total Equity
2014						
Opening Balance (as per Last Year's Audited Accounts)		1,224,315	1,423,413	2,647,728	-	2,647,728
a. Correction of Prior Period Errors	20 (c)	27,389	-	27,389	-	27,389
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/13)		1,251,704	1,423,413	2,675,117	-	2,675,117
c. Net Operating Result for the Year		24,194	-	24,194	-	24,194
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	67,975	67,975	-	67,975
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	(239)	(239)	-	(239)
- Other Movements	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	67,736	67,736	-	67,736
Total Comprehensive Income (c&d)		24,194	67,736	91,930	-	91,930
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		1,275,898	1,491,149	2,767,047	-	2,767,047

Tweed Shire Council

Statement of Cash Flows

for the financial year ended 30 June 2015

Budget 2015	\$ '000	Notes	Actual 2015	Actual 2014
Cash Flows from Operating Activities				
Receipts:				
94,366	Rates & Annual Charges		96,233	91,409
37,745	User Charges & Fees		48,469	40,859
9,184	Investment & Interest Revenue Received		8,232	8,349
39,120	Grants & Contributions		39,527	44,181
-	Bonds, Deposits & Retention amounts received		589	854
1,582	Other		10,859	5,149
Payments:				
(46,710)	Employee Benefits & On-Costs		(48,503)	(47,332)
(49,825)	Materials & Contracts		(47,934)	(55,347)
(13,041)	Borrowing Costs		(13,071)	(13,218)
-	Bonds, Deposits & Retention amounts refunded		(856)	-
(15,919)	Other		(14,270)	(15,656)
56,502	Net Cash provided (or used in) Operating Activities	11b	79,275	59,248
Cash Flows from Investing Activities				
Receipts:				
10,000	Sale of Investment Securities		79,805	102,083
-	Sale of Investment Property		-	53
2,845	Sale of Infrastructure, Property, Plant & Equipment		1,796	2,275
-	Deferred Debtors Receipts		207	1,018
Payments:				
(19,000)	Purchase of Investment Securities		(126,092)	(116,457)
(52,716)	Purchase of Infrastructure, Property, Plant & Equipment		(38,074)	(46,796)
(58,871)	Net Cash provided (or used in) Investing Activities		(82,358)	(57,824)
Cash Flows from Financing Activities				
Receipts:				
6,676	Proceeds from Borrowings & Advances		6,046	3,366
Payments:				
(7,715)	Repayment of Borrowings & Advances		(7,853)	(7,658)
(1,039)	Net Cash Flow provided (used in) Financing Activities		(1,807)	(4,292)
(3,408)	Net Increase/(Decrease) in Cash & Cash Equivalents		(4,890)	(2,868)
12,599	plus: Cash & Cash Equivalents - beginning of year	11a	16,407	19,275
9,191	Cash & Cash Equivalents - end of the year	11a	11,517	16,407
Additional Information:				
	plus: Investments on hand - end of year	6b	223,715	177,303
Total Cash, Cash Equivalents & Investments			235,232	193,710

Please refer to Note 11 for additional cash flow information

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	10
2(a)	Council Functions / Activities - Financial Information	30
2(b)	Council Functions / Activities - Component Descriptions	31
3	Income from Continuing Operations	32
4	Expenses from Continuing Operations	38
5	Gains or Losses from the Disposal of Assets	40
6(a)	Cash & Cash Equivalent Assets	41
6(b)	Investments	41
6(c)	Restricted Cash, Cash Equivalents & Investments - Details	43
7	Receivables	45
8	Inventories and Other Assets	46
9(a)	Infrastructure, Property, Plant & Equipment	47
9(b)	Externally Restricted Infrastructure, Property, Plant and Equipment	48
9(c)	Infrastructure, Property, Plant and Equipment - Current Year Impairments	49
10(a)	Payables, Borrowings and Provisions	50
10(b)	Description of (and movements in) Provisions	51
11	Statement of Cash Flows - Additional Information	52
12	Commitments for Expenditure	54
13	Statement of Performance Measures:	
	13a (i) Local Government Industry Indicators (Consolidated)	55
	13a (ii) Local Government Industry Graphs (Consolidated)	56
	13b Local Government Industry Indicators (by Fund)	58
14	Investment Properties	59
15	Financial Risk Management	60
16	Material Budget Variations	64
17	Statement of Developer Contributions	66
18	Contingencies and Other Liabilities/Assets not recognised	74
19	Interests in Other Entities	75 n/a
20	Equity - Retained Earnings and Revaluation Reserves	76
21	Financial Result & Financial Position by Fund	78
22	"Held for Sale" Non Current Assets & Disposal Groups	80 n/a
23	Events occurring after the Reporting Date	80 n/a
24	Discontinued Operations	80 n/a
25	Intangible Assets	81
26	Reinstatement, Rehabilitation and Restoration Liabilities	82
27	Fair Value Measurement	83

Additional Council Disclosures

28	Council Information and Contact Details	93
----	---	----

n/a - not applicable

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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 their 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.

The Local Government Reporting Entity

For the period 1 July 2014 to 30 June 2015 Tweed Shire Council had its principal business office at the Murwillumbah Civic Centre, Tumbulgum Road, Murwillumbah NSW 2484. Tweed Shire Council is empowered by the Local Government Act and its Charter is specified in Section 8 of that Act.

A description of the nature of the Council's operations and its principal activities are provided in Note 2(b) of these financial statements. Tweed Shire Council is classified as a "Not for Profit" entity as defined by the Australian Accounting Standards.

The General Purpose Financial Statements incorporate the assets and liabilities of all entities controlled by Council (the parent entity) and the results of all controlled entities for the financial period ended 30 June 2015. They include the consolidated fund and other entities through which Council controls resources to carry on its functions. In the process of reporting Council as a single unit, all transactions and balances between activities (for example, loans and transfers) have been eliminated.

(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 Australian Accounting Interpretations issued by the Australian Accounting Standards Board,
- the Local Government Act 1993 (as amended) and Regulation,

- The Local Government Code of Accounting Practice and Financial Reporting.

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

Because AASB are sector neutral, some standards either:

- 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, or
- 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 1993 (as amended), Regulation and Local Government Code of Accounting Practice and Financial Reporting, it should be noted that Councils in New South Wales only have a requirement to comply with AASB.

(iii) New and amended standards adopted by Council

There were no accounting standards that became mandatory this year which materially impacted on Council's financial statements.

The AASB has permitted Not for Profit Public Sector Entities (and in particular Local Governments) to reduce their AASB 13 Fair Value disclosure requirements for the current and future financial years. Note 27 (4) (c) relating to quantitative and qualitative information about the sensitivity of Fair Value measurements to changes in unobservable inputs for Level 3 assets is now voluntary. In accordance with this disclosure relief, Council has elected not to complete this section of Note 27.

(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 2014.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

Refer further to paragraph (ab) relating to a summary of the effects of Standards with future operative dates.

(v) Basis of Accounting

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

- (i) certain financial assets and liabilities at fair value through profit or loss and available-for-sale financial assets 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 non-current assets (e.g. Infrastructure, Property, Plant and Equipment and Investment Property) 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.

(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 Council and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) Estimated fair values of Infrastructure, Property, Plant and Equipment.
- (ii) Estimated tip remediation provisions.

Critical judgements in applying Council'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) Council has used significant judgement in determining the useful lives of assets and the associated consumption (depreciation expense).

(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.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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.

Doubtful rates debtors are provided 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.

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).

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.

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.

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 Consent 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 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, Rents and Other Income

Interest, rents and other income is recorded when the payment is due, the value of the payment is notified or the payment is received, whichever occurs first.

Interest Income from cash and investments is accounted for using the effective interest rate at the date that interest is earned 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 2015 and **(ii)** all the related operating results for the financial year ended the 30th June 2015.

The financial statements also include Council's share of the assets, liabilities, income and expenses of any **Jointly Controlled Operations** under the appropriate headings.

Tweed Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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 Local Government Act 1993 (as amended), 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
Tweed Coast Holiday Parks

Council does not have any minority interest in other entities.

Council is a member of the Far North Coast Weeds but has no equity in its operation.

(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.

(iii) Joint Ventures

Introduction

Council's objectives can in some cases be best met through the use of separate entities and operations.

Generally, these types of operations and entities could range from 100% ownership and control through to lower levels of ownership and control via co-operative arrangements with other Councils, bodies and other outside organisations.

Section 358 of the *Local Government Act 1993* (as amended) restricts councils in forming or participating in the formation of a corporation or other entity without first obtaining the consent of the Minister for Local Government. The restriction also extends to acquiring a controlling interest in a corporation or other entity.

An entity for the purpose of section 358 of the Act means any partnership, trust, joint venture, syndicate or other body (whether or not incorporated). It does not include any such entity that is of a class prescribed by the Local Government (General) Regulation 2005 as not being within this definition. To date, the Regulation has not prescribed such a class.

It should be noted that the restrictions on the formation of corporations and other entities does not prevent a council from being a member of a co-operative society or a company limited by guarantee and licensed not to use the word "limited" in its name.

DLG Circular 07-49

At present Council has interests in the following entities:-

Richmond Tweed Regional Library (RTRL)

The Richmond-Tweed Regional Library was established in January 1971, when Lismore City Council and Ballina Shire Council signed an agreement to develop a joint free public library service. They were quickly joined by Byron Shire Council and Tweed Shire Council, and the Richmond-Tweed Regional Library Service was created.

Currently the Regional Library serves a rapidly growing regional population of approximately 215,000, almost 50% of whom are registered library members.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

Lismore City Council is the 'Executive Council' of the Richmond Tweed Regional Library.

Richmond Tweed Regional Library is not a separate legal entity and as such all financial reporting is consolidated with the Financial Statements prepared by Lismore City Council.

Far North Coast Weeds (FNCW)

Far North Coast County Council, trading as Far North Coast Weeds (FNCW), works with a wide range of stakeholders to combat the spread of noxious weeds in the Northern Rivers region of NSW.

FNCW is the Local Control Authority responsible for administering the Noxious Weeds Act 1993 in the region.

FNCW includes all of Tweed, Byron, Ballina, Lismore City, Richmond Valley and Kyogle shires.

Far North Coast Weeds (FNCW) has six councillors, one appointed by each of its constituent councils.

The delegate from each council is a councillor of FNCW and does not specifically represent the interest of their own council, but represents the interests of the county district.

North East Weight of Loads Group (NEWLOG)

The aims and objectives of NEWLOG are to preserve the road system asset and promote road safety, by encouraging heavy vehicles to comply with weight regulations on local and classified roads.

The member Councils are Tweed, Byron, Ballina, Kyogle, Richmond Valley, Lismore City, Clarence Valley and Tenterfield Council and the Group is administered by Ballina Shire Council.

NEWLOG is a cooperative activity that relies on income from contributions from member Councils, a contribution from the RTA and income from fines.

Arrangements - Control and Influence

Associated Entities and Joint Venture Entities

Arrangements in the form of a separate entity that deploys the resources of the operation itself; under 'associated entities', a party significantly influences

the operations but does not control them, whilst for joint venture entities; a party jointly controls the operations with other parties.

Joint Venture Operations

Arrangements that do not comprise an actual individual entity which can deploy the resources of the individual participants; under joint venture operations, a party jointly controls the operations with the other parties involved.

Definitions (AASB 131)

Control is the power to govern the financial and operating policies of an economic activity so as to obtain benefits from it.

Significant influence is the power to participate in the financial and operating policy decisions of an economic activity but is not control or joint control over those policies.

Joint control is the contractually agreed sharing of control over an economic activity and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

A *joint venture* is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

Accounting Treatment

The accounting and reporting for the various entities, operations and arrangements varies in accordance with accounting standards, depending on the level of **(i)** interest and **(ii)** control and the type (form) of entity/operation and the overall materiality to Council's operations.

Joint Venture Entities

Equity Method - an interest in a jointly controlled entity is initially recorded at cost and adjusted thereafter for the post-acquisition change in the

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

venturer's share of net assets of the jointly controlled entity. The profit or loss of the venturer includes the venturer's share of the profit or loss of the jointly controlled entity.

Joint Venture Operations

Proportionate consolidation - a venturer's share of each of the assets, liabilities, income and expenses of a jointly controlled entity is combined line by line with similar items in the venturer's financial statements or reported as separate line items in the venturer's financial statements.

Associated Entities

Equity Method - an interest in an associated entity is initially recorded at cost and adjusted thereafter for the post-acquisition change in the venturer's share of net assets of the jointly controlled entity. The profit or loss of the venturer includes the venturer's share of the profit or loss of the jointly controlled entity.

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 leases' 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 finance leases are 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

For Statement of Cash Flows and Statement of Financial Position presentation purposes, cash and cash equivalents includes;

- cash **on hand**,
- deposits held **at call** with financial institutions,
- other short-term, highly liquid investments **with original maturities of three months or less** that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and
- bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet but are incorporated into Cash and Cash Equivalents for presentation of the Cash Flow Statement.

(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:

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

Council 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 and/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 has the positive intention and ability to hold to maturity.

In contrast to the "Loans and 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 Council 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

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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 and 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 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.

If there is evidence of impairment for any of Council's financial assets carried at amortised cost (eg. loans and receivables), the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

As a practical expedient, Council may measure impairment on the basis of an instrument's fair value using an observable market price.

(iii) Types of Investments

Council has an approved Investment Policy in order to undertake its investment of money in accordance with Section 625 of the Local Government Act 1993 (as amended) and Clause 212 of the Local Government (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 and its representatives exercise care, diligence and skill that

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

a prudent person would exercise in investing Council funds.

(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.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

If the market for a financial asset is not active (and for unlisted securities), the Council establishes fair value by using valuation techniques.

These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

(h) Receivables

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

Receivables (excluding Rates and 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 in accordance with Council's policy.

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.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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 and E)

The use of an asset over its service life requires the injection of both capital funds to prolong its use and maintenance expenditure to keep the asset in working order.

As a general guide, repair and maintenance of an asset is an expense of one accounting period, whereas a capital expenditure changes or replaces the service potential of the asset and is expensed over the useful remaining life of the asset.

Maintenance Expenditure on an asset

Expenditure on assets should be treated as maintenance expenditure in the following circumstances:

- It is part of an ongoing, regular or rotational maintenance, repairs and maintenance program.
- It will not significantly increase the service potential or useful life of the asset.
- It relates to repair of localised problems such as subsidence, breaking up, etc.

- The basic qualities of the asset are not being upgraded.
- Whilst relating to the acquisition or upgrading of an asset, it is not material to the total value of the relevant nature / type asset category

Capital Expenditure on an asset

Expenditure on assets should be classified as capital expenditure in the following circumstances, provided it is material to the total value of the relevant nature/type asset category:

- It is expected to significantly increase the practical capacity or useful life of the asset.
- It is an upgrading of the basic qualities of the asset.
- It is a renewal of an existing asset, which had reached the point of being unserviceable.
- It is reconstruction of an asset, which was destroyed.

Initial Recognition and Capitalisation of Costs

On initial recognition, an asset's cost is measured at its fair value.

Expenditure that is directly attributable to the acquisition should be capitalised when:-

- It is probable that future (i.e. beyond the current financial year) economic benefits associated with the item will flow to Council; and
- The cost of the item can be measured reliably, and this amount (excluding any refundable taxes i.e. GST etc) is equal to or greater than the asset capitalisation thresholds stated below.

An assessment of control of the asset is required where it is uncertain as to whether the future economic benefit associated with the item will flow to the entity (Council).

The following test is applied:

1. Council can deny or regulate access of others to the asset.
2. The asset is held to meet the objectives of Council.
3. Council enjoys the majority of risks and benefits relating to the asset.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

The initial cost of an asset should include the following items:

- Any directly attributable costs associated with bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Council including; initial delivery and handling costs; costs of site preparation; installation and assembly costs.
- Purchase price, including import duties, professional fees and non refundable purchase taxes, after deducting trade discounts and rebates.
- The cost of employees/contract staff including: design, survey, project management, supervision, and construction staff and their associated on-costs, set each financial year, to recover workers compensation, superannuation, leave entitlements and training expenses.
- Fleet/plant hire costs (predominately internal hire rates set by the Manager Infrastructure Delivery)
- Initial estimate of costs of decommissioning, dismantling and removing the item and restoring the site on which it is located, where the Council is under an obligation to do so and the amount can be reliably measured (i.e. make-good).

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 (i.e. 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.

Capitalisation Procedures

During the budget process, project expenditure is identified and classified as a capital or operating item on the general ledger. Capital or operating employee/plant costs are collected through weekly timesheet allocations, whilst other costs are primarily captured using the purchasing system.

At year end all project expenditures with substantial transactions are re-evaluated to assess whether they remain a capital or operating expense. These identified capital project expenditures can include the design and survey costs of future, yet to be constructed assets.

Asset capitalisation is finalised upon the commissioning of the asset. Capital costs incurred prior to commissioning, in prior financial periods, are held in the Works In Progress (WIP) accounts.

Assets are separated into component parts, where practical, as each major part may have a different useful life and require a different depreciation rate.

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.

Categories of assets

Council will categorise Infrastructure, Property, Plant and Equipment into the following asset classes as required by the Local Government Code of Accounting Practice and Financial Reporting;

- Plant and Equipment (as approximated by depreciated historical cost)
- Office Equipment (as approximated by depreciated historical cost)
- Furniture and Fittings (as approximated by depreciated historical cost)
- Operational Land (external valuation)

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

- Community Land (Valuer Generals valuation) includes Council administered Crown land.
- Land under roads (englobo valuation – refer Note 1 (I))
- Buildings – Specialised / Non Specialised (external valuation)
- Other Structures (as approximated by depreciated historical cost)
- Investment Properties (external valuation)
- Infrastructure Assets include roads, bridges, footpaths, bulk earthworks, stormwater drainage, water supply and sewerage networks, swimming pools, open space/recreation assets and other infrastructure (internal/external valuation)
- Other Assets (Artworks as approximated by historical cost)
- Reinstatement, Rehabilitation and Restoration Assets includes Tip and quarry assets (internal valuation)

Asset Revaluations (including Indexation)

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

In accounting for Asset Revaluations relating to Infrastructure, Property, Plant and 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 income statement, then that increase is first recognised in income statement.
- 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, transport and drainage assets are indexed annually between full revaluations in accordance with the latest indices provided in the NSW Department of Primary

Industries, Office of Water - Rates Reference Manual and to the Australian Bureau of Statistics – NSW Road and Bridge Construction Cost Indexes.

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.

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	100% Capitalised

Plant and Equipment

- Office furniture	> \$5,000
- Office equipment	> \$5,000
- Other plant and equipment	> \$2,000

Buildings

- Construction/extensions	> \$5,000
- Renovations	> \$5,000

Other Infrastructure Assets

- Other structures	> \$5,000
- Open space/recreational	> \$5,000
- Swimming pools	> \$5,000

Water and Sewer Assets

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

Stormwater Assets

- Drains and culverts	> \$5,000
- Other	> \$5,000

Transport Assets

- Road construction and reconstruct	> \$5,000
- Reseal/resheet and major repairs:	> \$5,000
- Bridge construction and reconstruct	> \$5,000
- Footpath construction	> \$5,000

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

Depreciation

Depreciation on Council's infrastructure, property, plant and equipment assets is calculated using the straight line method, with the exception of water/sewerage above ground assets, buildings and transport assets, in which case Council uses consumption based depreciation 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 Infrastructure, Property, Plant and Equipment include:

Plant and Equipment

- Office equipment	3 - 10 years
- Office furniture	4 - 20 years
- Vehicles	2.5 years
- Road making equipment	5 - 10 years
- Other plant and equipment	5 - 10 years

Buildings (components)

- Buildings : floor	60 to 130 years
- Buildings : envelope	45 to 125 year
- Buildings : roof	40 to 90 years

Stormwater Drainage

- Drains	100 years
- Culverts	75 years

Transportation Assets

- Sealed roads surface	20 - 30 years
- Concrete/paved road	80 years
- Road pavement - gravel	10 years
- Road pavement - sealed	50 - 80 years
- Road pavement sub-base	125 - 200 years
- Bridge concrete	80 - 100 years
- Bridges other	30 - 100 years
- Footpaths	30 - 60 years
- Kerb and guttering	80 years
- Traffic facilities	20 - 80 years

Water and Sewer Assets

- Dams and reservoirs	100 years
- Pipes - PVC and other	70 years
- Pumps and telemetry	20 years

Other Infrastructure Assets

- Bulk earthworks	Infinite
- Flood control structures	80 years

All asset residual values and useful lives are reviewed and adjusted (if appropriate), at each reporting 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 – refer Note 1(s) on Asset Impairment.

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.

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 (as amended) 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 to recognise land under roads in accordance with AASB 1051. Council used the "Englobo" valuation method for land under roads. This requires the calculation of an average site value (SV) of the Council area on a dollar per square metre basis. The site value is "the value of the underlying land assuming that any existing improvements have not been made. It also assumes that the land is not encumbered by any lease, mortgage or other charge." - Australian Property Institute, 2004. Adjustment factors for 65% and 25% respectively have been applied for Englobo value and access and carriageway rights and infrastructure (other users for carriageway reserve and infrastructure).

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

(m) Intangible Assets

IT Development and Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licences that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

Costs capitalised include external direct costs of materials and service. No direct payroll and payroll related costs of employees' time are capitalised to these projects.

Amortisation is calculated on a straight line basis over periods generally ranging from 3 to 5 years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where Council has an intention and ability to use the asset.

(n) Crown Reserves

Crown Reserves under Council's care and control are recognised as assets of the Council within the Note 9 Community Land category.

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 the reserves are recognised within Council's Income Statement.

(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"*.

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 revaluations are carried out every year.

(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.

Tweed Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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 remaining 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.

(r) Non-Current Assets (or Disposal Groups) "Held for Sale" and 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 or **(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.

(s) Impairment of Infrastructure, Property, Plant and Equipment Assets

All Council's Infrastructure, Property, Plant and Equipment 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.

For non-cash generating assets of Council such as roads, drains and public buildings etc - value in use is represented by the "deprival value" of the asset which is approximated as it's written down replacement cost.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

(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 over the life of the loan.

(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.

Claims made on Council which are indemnified by Council's Insurers are not provided for. Any costs payable by Council on resolution of the claim are written off through the Income Statement at that time.

(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 wholly 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.

All other short-term employee benefit obligations are presented as payables.

Tweed Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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.

(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 wholly 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 Commonwealth 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 Employee Benefits.

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 Martin Stevenson BSc FIA FIAA of Mercer Actuaries on 20 February, 2013.

However the position is monitored annually and the Actuary has estimated that as at 30 June 2015 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

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

Superannuation Scheme and recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a) for the year ending 30 June 2015 was \$1,640,042.

The amount of additional contributions included in the total employer contribution advised above is \$661,038.

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.

The share of this deficit that can be broadly attributed to Council is estimated to be in the order of \$661,038 as at 30 June 2015.

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 June, 2015.

(y) Self insurance

Council does not self insure.

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

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

However, where Council does not pay taxes which are generally paid by private sector business, such as Income Tax, these equivalent tax payments are applied to all Council nominated business activities and reflected in the Special Purpose Financial Reports.

The Council is also exempt from Capital Gains Tax.

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

Goods and 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).

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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), i.e. they are exclusive of GST. Instead, the GST component of investing and financing activity cash flows which 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 interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2015.

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.

Apart from the AASB disclosures below, there are no other standards that are "not yet effective" which are expected to have a material impact on Council in the current or future reporting periods and on foreseeable future transactions.

Applicable to Local Government:

AASB 9 - Financial Instruments (and associated amending standards)

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and has an effective

date for reporting periods beginning on or after 1 January 2018 (and must be applied retrospectively).

The overriding impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets.

Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories:

- fair value and
- amortised cost (where financial assets will only be able to be measured at amortised cost where very specific conditions are met).

AASB 15 - Revenue from contracts with customers and associated amending standards

AASB 15 will introduce a five step process for revenue recognition with the core principle of the new Standard being that entities recognise revenue so as to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

The changes in revenue recognition requirements in AASB 15 may cause changes to accounting policies relating to the timing and amount of revenue recorded in the financial statements as well as additional disclosures.

The full impact of AASB 15 has not yet been ascertained or quantified.

AASB 15 will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2017.

Not applicable to Local Government per se;

There are no other standards that are "not yet effective" and expected to have a material impact on Council in the current or future reporting periods and on foreseeable future transactions.

Tweed Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

(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 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.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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
	2015	2015	2014	2015	2015	2014	2015	2015	2014	2015	2014	2015	2014
Governance	-	1	1	3,069	2,815	2,807	(3,069)	(2,814)	(2,806)	-	-	-	-
Administration	820	11,589	2,090	20,158	17,504	14,038	(19,338)	(5,915)	(11,948)	21	-	203,310	80,458
Public Order & Safety	1,041	1,040	1,046	3,478	3,569	3,341	(2,437)	(2,529)	(2,295)	276	236	6,581	7,729
Health	350	385	367	1,670	1,596	1,595	(1,320)	(1,211)	(1,228)	-	-	114	123
Environment	19,312	26,160	22,509	25,763	24,819	25,429	(6,451)	1,341	(2,920)	3,387	1,284	213,658	212,600
Community Services & Education	1,380	1,683	1,398	2,532	2,589	3,211	(1,152)	(906)	(1,813)	1,410	3,713	4,714	4,816
Housing & Community Amenities	1,725	2,339	4,486	6,791	6,954	10,981	(5,066)	(4,615)	(6,495)	169	272	49,387	52,819
Water Supplies	40,022	28,987	33,435	23,612	22,310	22,994	16,410	6,677	10,441	382	1,293	533,719	523,489
Sewerage Services	34,431	35,497	37,874	24,659	28,141	25,912	9,772	7,356	11,962	366	683	668,252	652,435
Recreation & Culture	2,874	10,688	12,449	19,653	20,683	20,547	(16,779)	(9,995)	(8,098)	2,507	5,359	413,297	421,267
Mining, Manufacturing & Construction	1,323	1,896	1,566	2,102	1,883	1,875	(779)	13	(309)	-	-	2,526	3,331
Transport & Communication	5,250	17,434	18,143	25,612	31,255	38,956	(20,362)	(13,821)	(20,813)	6,218	3,837	908,377	919,780
Economic Affairs	7,691	9,640	8,598	7,674	8,052	8,478	17	1,588	120	-	-	116,163	110,415
Total Functions & Activities	116,219	147,339	143,962	166,773	172,170	180,164	(50,554)	(24,831)	(36,202)	14,736	16,677	3,120,098	2,989,262
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-	-	-
General Purpose Income ¹	65,687	67,517	60,396	-	-	-	65,687	67,517	60,396	10,334	5,481	-	-
Operating Result from Continuing Operations	181,906	214,856	204,358	166,773	172,170	180,164	15,133	42,686	24,194	25,070	22,158	3,120,098	2,989,262

1. Includes: Rates & Annual Charges (incl. Ex-Gratia), Untied General Purpose Grants & Unrestricted Interest & Investment Income.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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.

Tweed Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2015	Actual 2014
(a) Rates & Annual Charges			
Ordinary Rates			
Residential		44,657	43,029
Farmland		3,135	2,995
Business		5,181	4,854
Total Ordinary Rates		52,973	50,878
Special Rates			
Koala Beach		77	75
Total Special Rates		77	75
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		11,198	10,255
Water Supply Services		4,490	4,232
Sewerage Services		24,468	22,771
Waste Management Services (non-domestic)		2,492	2,355
Total Annual Charges		42,648	39,613
TOTAL RATES & ANNUAL CHARGES		95,698	90,566

Council has used 2011 year valuations provided by the NSW Valuer General in calculating its rates.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Domestic Waste Management Services		1,910	2,942
Water Supply Services		15,648	17,874
Sewerage Services		2,521	2,206
Waste Management Services (non-domestic)		2,100	2,210
Total User Charges		22,179	25,232
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Animal Control		130	156
Building		1,418	1,174
Health Approvals		257	262
Private Works		422	234
Section 603 Certificates		205	191
Town Planning		1,281	901
Total Fees & Charges - Statutory/Regulatory		3,713	2,918
(ii) Fees & Charges - Other (incl. General User Charges) (per s.608)			
Beach Vehicles		23	27
Caravan Parks		8,546	7,653
Cemeteries		631	605
Library & Art Gallery		395	180
Parks & Gardens		55	65
Parking Fees		11	8
Pools		1,561	1,282
Sewer/Drainage		350	300
Sportsgrounds		76	51
Tweed Laboratory		448	511
Water Connection Fees		417	272
Other		2,096	1,935
Total Fees & Charges - Other		14,609	12,889
TOTAL USER CHARGES & FEES		40,501	41,039

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		475	516
- Interest earned on Investments (interest & coupon payment income)		8,287	7,640
- Interest on Deferred Debtors		49	158
Fair Value Adjustments			
- Fair Valuation movements in Investments (at FV or Held for Trading)		125	433
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>8,936</u>	<u>8,747</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges (General Fund)		274	335
General Council Cash & Investments		3,412	3,201
Restricted Investments/Funds - External:			
Development Contributions			
- Section 94		984	952
- Section 64		97	109
Water Fund Operations		977	1,153
Sewerage Fund Operations		2,202	1,995
Domestic Waste Management operations		466	501
Restricted Investments/Funds - Internal:			
Internally Restricted Assets		524	501
<u>Total Interest & Investment Revenue Recognised</u>		<u>8,936</u>	<u>8,747</u>
(d) Other Revenues			
Rental Income - Other Council Properties		814	694
Fines - Parking		414	403
Fines - Other		141	158
Legal Fees Recovery - Rates & Charges (Extra Charges)		538	423
Insurance Claim Recoveries		890	-
Tweed Coast Holiday Parks Other Income		498	263
Other		749	515
<u>TOTAL OTHER REVENUE</u>		<u>4,044</u>	<u>2,456</u>

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations (continued)

\$ '000	2015 Operating	2014 Operating	2015 Capital	2014 Capital
(e) Grants				
General Purpose (Untied)				
Financial Assistance - General Component	1 6,756	3,257	-	-
Financial Assistance - Local Roads Component	1 2,653	1,300	-	-
Pensioners' Rates Subsidies - General Component	925	924	-	-
Total General Purpose	10,334	5,481	-	-

¹ The Financial Assistance Grant for the comparative 13/14 year reflects a one off timing difference (reduction). This grant ceased being paid in advance in the 13/14 year by up to 50% as had occurred in previous years.

Specific Purpose

Pensioners' Rates Subsidies:

- Water	379	376	-	-
- Sewerage	366	363	-	-
- Domestic Waste Management	259	248	-	-
Water Supplies	-	-	5	917
Sewerage Services	-	-	-	320
Art Gallery	61	51	-	2,000
Bushfire & Emergency Services	263	239	-	-
Community Service	994	831	-	-
Cycleways/Walkways	-	-	60	72
Environment (incl. coastal/estuary management)	885	994	-	-
Environmental Protection	-	-	1,890	-
Library	245	257	24	-
LIRS Subsidy	135	70	-	-
Other Affordable Housing	-	2,362	-	-
Other Waste and Sustainability Improvement	217	-	-	-
Pedestrian Facilities	-	-	-	60
Positions Funded by Other Govt. Dept	471	604	-	-
Recreation & Culture	-	-	2,061	2,991
Street Lighting	152	152	-	-
Transport (Other Roads & Bridges Funding)	2,886	1,380	3,164	2,340
Museums	55	-	-	-
Other	57	50	107	-
Total Specific Purpose	7,425	7,977	7,311	8,700
Total Grants	17,759	13,458	7,311	8,700

Grant Revenue is attributable to:

- Commonwealth Funding	10,557	8,266	7,111	6,529
- State Funding	5,018	5,192	2,384	2,171
	17,759	13,458	7,311	8,700

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations (continued)

\$ '000	2015 Operating	2014 Operating	2015 Capital	2014 Capital
(f) Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the LGA):				
S 94 - Contributions towards amenities/services	-	-	5,544	7,185
S 64 - Water Supply Contributions	-	-	4,219	5,062
S 64 - Sewerage Service Contributions	-	-	2,205	2,565
Water S 64 - In Kind	-	-	1,612	2,825
Sewerage S 64 - In Kind	-	-	2,976	5,386
Total Developer Contributions	17	-	16,556	23,023
Other Contributions:				
Art Gallery	-	-	1,121	737
Community Services	19	55	-	-
Dedications (other than by S94)	-	-	23	624
Dedications (other than by S94) - Roads	-	-	5,450	3,041
Dedications (other than by S94) - Drainage	-	-	2,948	2,226
Dedications (other than by S94) - Open Space	-	-	358	55
Dedications (other than by S94) - Land Under Roads	-	-	101	86
Environment	-	23	-	-
Govt Subsidy	26	19	-	-
Recreation & Culture	-	-	190	-
Roads	-	-	84	72
RMS Contributions (Regional Roads, Block Grant)	2,100	2,064	152	5,558
Sewerage (excl. Section 64 contributions)	154	139	-	1,387
Water Supplies (excl. Section 64 contributions)	-	1	-	-
Dedications (other than by S94) - Land	-	-	1,655	-
Dedications (other than by S94) - Non-Specialised Buildings	-	-	290	-
Dedications (other than by S94) - Specialised Buildings	-	-	90	-
SCU contribution	-	-	8,848	-
Other	137	162	305	120
Total Other Contributions	2,436	2,463	21,615	13,906
Total Contributions	2,436	2,463	38,171	36,929
TOTAL GRANTS & CONTRIBUTIONS	20,195	15,921	45,482	45,629

Tweed Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations (continued)

\$ '000	Actual 2015	Actual 2014
(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	29,407	31,763
add: Grants & contributions recognised in the current period but not yet spent:	16,087	9,831
less: Grants & contributions recognised in a previous reporting period now spent:	(11,099)	(12,187)
Net Increase (Decrease) in Restricted Assets during the Period	4,988	(2,356)
Unexpended and held as Restricted Assets	34,395	29,407
Comprising:		
- Specific Purpose Unexpended Grants	2,923	2,739
- Developer Contributions	29,410	26,254
- Other Contributions	2,062	414
	34,395	29,407

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2015	Actual 2014
(a) Employee Benefits & On-Costs			
Salaries and Wages		41,631	40,703
Travelling		120	90
Employee Leave Entitlements (ELE)		7,311	5,538
Superannuation		4,525	4,348
Workers' Compensation Insurance		241	656
Fringe Benefit Tax (FBT)		250	213
Payroll Tax		933	886
Training Costs (other than Salaries & Wages)		294	405
Other		164	153
Total Employee Costs		55,469	52,992
less: Capitalised Costs		(5,306)	(6,169)
TOTAL EMPLOYEE COSTS EXPENSED		50,163	46,823
Number of "Equivalent Full Time" Employees at year end		675	677
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Overdraft		2	1
Interest on Loans		13,045	13,368
Total Interest Bearing Liability Costs Expensed		13,047	13,369
(ii) Other Borrowing Costs			
Discount adjustments relating to movements in Provisions (other than ELE)			
- Remediation Liabilities	26	1	(166)
- Fair Value of Interest Free Sewer Loan - Dept of Planning Loan		602	679
Total Other Borrowing Costs		603	513
TOTAL BORROWING COSTS EXPENSED		13,650	13,882
(c) Materials & Contracts			
Raw Materials & Consumables		42,832	55,022
Auditors Remuneration ⁽¹⁾		102	90
Legal Expenses:			
- Legal Expenses: Planning & Development		444	809
- Legal Expenses: Other		114	215
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payment ⁽²⁾		838	525
TOTAL MATERIALS & CONTRACTS		44,330	56,661

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(c) Materials & Contracts (continued)			
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		98	89
Remuneration for audit and other assurance services		98	89
(ii) Other Services			
- Other Services		4	1
Remuneration for other services		4	1
Total Auditor Remuneration		102	90
2. Operating Lease Payments are attributable to:			
Computer Equipment		833	525
Other		5	-
		838	525

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2015	Actual 2014	Actual 2015	Actual 2014
Plant and Equipment		-	-	2,753	2,668
Office Equipment		-	-	119	69
Furniture & Fittings		-	-	128	116
Buildings - Non Specialised		-	239	1,498	1,649
Buildings - Specialised		-	-	33	39
Other Structures		-	-	19	21
Infrastructure:					
- Roads		-	-	15,645	14,913
- Bridges		-	-	2,155	2,094
- Footpaths		-	-	560	509
- Stormwater Drainage		-	-	2,791	2,631
- Water Supply Network		-	-	7,097	6,890
- Sewerage Network		-	-	10,326	9,982
- Swimming Pools		-	-	245	285
- Other Open Space/Recreational Assets		-	-	835	786
- Other Infrastructure		-	-	501	566
Asset Reinstatement Costs	9 & 26	-	-	15	21
Intangible Assets	25	-	-	323	439
Total Depreciation & Impairment Costs		-	239	45,043	43,678
less: Impairments (to)/from ARR [Equity]	9a	-	(239)	-	-
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	-	45,043	43,678

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(e) Other Expenses			
Bad & Doubtful Debts		69	-
Caretakers Remuneration - Holiday Parks		1,651	1,548
Contributions/Levies to Other Levels of Government			
- Department of Lands Levy - Holiday Parks		395	381
- Emergency Services Levy (includes FRNSW, SES, and RFS Levies)		715	689
- Waste Levy		189	651
Councillor Expenses - Mayoral Fee		39	38
Councillors' Expenses (incl. Mayor)		33	20
Councillor Expenses - Councillors' Fees		137	140
Donations, Contributions & Assistance to other organisations (Section 356)		2,675	2,523
Electricity & Heating		4,686	5,585
Insurance		1,477	1,585
Street Lighting		799	944
Telephone & Communications		438	428
<u>TOTAL OTHER EXPENSES</u>		<u>13,303</u>	<u>14,532</u>

Note 5. Gains or Losses from the Disposal of Assets

Property (excl. Investment Property)			
Proceeds from Disposal - Property		461	1,060
less: Carrying Amount of Property Assets Sold / Written Off		(1,585)	(2,096)
Net Gain/(Loss) on Disposal		(1,124)	(1,036)
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		1,335	1,215
less: Carrying Amount of P&E Assets Sold / Written Off		(2,060)	(1,694)
Net Gain/(Loss) on Disposal		(725)	(479)
Infrastructure			
less: Carrying Amount of Infrastructure Assets Sold / Written Off		(3,832)	(3,071)
Net Gain/(Loss) on Disposal		(3,832)	(3,071)
Investment Properties			
Proceeds from Disposal - Investment Properties		-	53
less: Carrying Amount of Investment Properties Sold / Written Off		-	(55)
Net Gain/(Loss) on Disposal		-	(2)
Financial Assets			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		79,805	102,083
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		(79,805)	(102,083)
Net Gain/(Loss) on Disposal		-	-
<u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u>		<u>(5,681)</u>	<u>(4,588)</u>

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 6a. - Cash Assets and Note 6b. - Investments

\$ '000	Notes	2015	2015	2014	2014
		Actual Current	Actual Non Current	Actual Current	Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		1,654	-	2,791	-
Cash-Equivalent Assets ¹					
- Deposits at Call		9,863	-	6,390	-
- Short Term Deposits		-	-	7,226	-
Total Cash & Cash Equivalents		11,517	-	16,407	-
Investments (Note 6b)					
- Long Term Deposits		117,419	49,000	76,531	52,000
- FRN's & Fixed Rate Bonds		6,479	50,817	2,033	46,739
Total Investments		123,898	99,817	78,564	98,739
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		135,415	99,817	94,971	98,739

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. "At Fair Value through the Profit & Loss"		11,517	-	16,407	-
--	--	---------------	----------	---------------	----------

Investments

a. "At Fair Value through the Profit & Loss"					
- "Held for Trading"	6(b-i)	6,479	50,817	2,033	46,739
b. "Held to Maturity"	6(b-ii)	117,419	49,000	76,531	52,000
Investments		123,898	99,817	78,564	98,739

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of investments held.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 6b. Investments (continued)

\$ '000	2015 Actual Current	2015 Actual Non Current	2014 Actual Current	2014 Actual Non Current
Note 6(b-i)				
Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"				
Balance at the Beginning of the Year	2,033	46,739	5,038	38,781
Revaluations (through the Income Statement)	125	-	-	433
Additions	4,321	20,883	16,079	7,525
Disposals (sales & redemptions)	-	(16,805)	(19,084)	-
Balance at End of Year	6,479	50,817	2,033	46,739
Comprising:				
- NCD's, FRN's (with Maturities > 3 months)	6,479	50,817	2,033	43,739
- Other Long Term Financial Assets	-	-	-	3,000
Total	6,479	50,817	2,033	46,739
 Note 6(b-ii)				
Reconciliation of Investments classified as "Held to Maturity"				
Balance at the Beginning of the Year	76,531	52,000	90,677	28,000
Additions	40,888	60,000	68,853	24,000
Disposals (sales & redemptions)	-	(63,000)	(82,999)	-
Balance at End of Year	117,419	49,000	76,531	52,000
Comprising:				
- Long Term Deposits	117,419	49,000	76,531	52,000
Total	117,419	49,000	76,531	52,000

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 6c. Restricted Cash, Cash Equivalents & Investments - Details

\$ '000	2015	2015	2014	2014
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Total Cash, Cash Equivalents and Investments	135,415	99,817	94,971	98,739
attributable to:				
External Restrictions (refer below)	73,563	89,487	47,220	88,928
Internal Restrictions (refer below)	56,667	10,330	42,181	9,811
Unrestricted	5,185	-	5,570	-
	135,415	99,817	94,971	98,739

2015 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
-----------------	--------------------	------------------------------	--------------------------------	--------------------

Details of Restrictions

External Restrictions - Included in Liabilities

Specific Purpose Unexpended Loans-Sewer (A)	8,967	-	(2,709)	6,258
Other - Security Deposits	2,014	-	(268)	1,746
External Restrictions - Included in Liabilities	10,981	-	(2,977)	8,004

External Restrictions - Other

Developer Contributions - General (B)	23,639	6,527	(3,407)	26,759
Developer Contributions - Water Fund - CCR (B)	2,615	4,315	(4,279)	2,651
Developer Contributions - Sewer Fund - CCR (B)	-	2,205	(2,205)	-
RMS (formerly RTA) Contributions (C)	347	30	(247)	130
Specific Purpose Contributions (C)	67	1,932	(67)	1,932
Specific Purpose Unexpended Grants (D)	2,739	184	-	2,923
Water Supplies (E)	2,334	120	-	2,454
Water Supplies - Asset Replacement - ARR (E)	16,461	15,862	(1,833)	30,490
Sewerage Services (E)	3,482	-	(1,634)	1,848
Sewerage Services - Banora Point Laboratory (E)	413	101	-	514
Sewerage Services - Asset Replacement - ARF (E)	43,111	14,763	(4,995)	52,879
Domestic Waste Management (E)	11,407	2,574	-	13,981
Caravan Park Cash Assets	18,338	-	(55)	18,283
Special Rate - Koala Beach	214	77	(89)	202
External Restrictions - Other	125,167	48,690	(18,811)	155,046
Total External Restrictions	136,148	48,690	(21,788)	163,050

- A** Loan moneys which must be applied for the purposes for which the loans were raised.
- B** Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).
- C** RMS Contributions which are not yet expended for the provision of services and amenities in accordance with those contributions.
- D** Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1)
- E** 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.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 6c. Restricted Cash, Cash Equivalents & Investments - Details (continued)

2015 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Employees Leave Entitlement	9,811	1,519	-	11,330
Unexpended Loans	9,436	6,046	(6,067)	9,415
Unexpended Grants	2,753	9,409	(8,993)	3,169
Asset Management Reserve - Office Ext.	185	6	(64)	127
Community Facilities	4	5,900	-	5,904
Land Sales - Cemetery Asset Management	47	2	-	49
Murwillumbah Community Centre	5	-	-	5
Software & Equipment - Asset management	1,498	1,332	(543)	2,287
Sports fields - Asset management	1	-	-	1
Swimming Pools Asset management	1	33	-	34
Waterways Asset Management	6	1	-	7
Civic Centre Asset management	184	56	-	240
Museum Asset Management	60	2	-	62
Land Development	438	122	(73)	487
Workers Comp. Cont. Reserve	5	-	-	5
Non- DWM Management	8,013	1,750	(604)	9,159
Access Funding	287	14	(18)	283
Agenda 21	58	-	-	58
Art Gallery Construction	84	29	-	113
Beach Vehicle Licence Income	237	31	(36)	232
Car Parking	416	103	-	519
Catchment Water Quality	737	235	(152)	820
Coastal Management Planning	31	1	-	32
Haulage Fees	313	10	-	323
Plant Operations	2,313	1,842	-	4,155
Revolving Energy Fund	236	34	-	270
Road Land Sale	43	-	-	43
Sewerage Management Facilities	8	-	-	8
7 Year Plan	3,094	4,176	(2,775)	4,495
Works Carried Forward	11,777	7,393	(5,985)	13,185
Environmental Enforcement Levy	(442)	237	(199)	(404)
SES Vehicle Replacement	21	120	-	141
Museum Donations	14	16	(4)	26
Frangela Park Maintenance	41	1	(1)	41
Cemeteries Perpetual Maintenance	277	64	-	341
Opportunity/Matching grants	-	35	-	35
Total Internal Restrictions	51,992	40,519	(25,514)	66,997
TOTAL RESTRICTIONS	188,140	89,209	(47,302)	230,047

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 7. Receivables

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		4,631	-	5,104	
Interest & Extra Charges		537	-	547	
User Charges & Fees		4,771	-	11,308	-
Accrued Revenues					
- Interest on Investments		2,615	-	2,026	-
- Other Income Accruals		-	-	2,461	-
Government Grants & Subsidies		4,532	-	3,564	-
Deferred Debtors		8	77	7	285
Net GST Receivable		609	-	835	-
Total		17,703	77	25,852	285
less: Provision for Impairment					
Doubtful Debts		(202)	-	(132)	-
Total Provision for Impairment - Receivables		(202)	-	(132)	-
<u>TOTAL NET RECEIVABLES</u>		<u>17,501</u>	<u>77</u>	<u>25,720</u>	<u>285</u>
Externally Restricted Receivables					
Water Supply					
- Specific Purpose Grants		2	-	472	-
- Rates & Availability Charges		250	-	253	-
- Other		2,811	-	10,217	-
Sewerage Services					
- Specific Purpose Grants		1	-	1	-
- Rates & Availability Charges		1,204	-	1,228	-
- Other		1,232	-	1,580	-
Domestic Waste Management		507	-	374	124
Tweed Coast Holiday Parks		200	-	194	-
Total External Restrictions		6,207	-	14,319	124
Internally Restricted Receivables					
Nil					
Unrestricted Receivables		11,294	77	11,401	161
<u>TOTAL NET RECEIVABLES</u>		<u>17,501</u>	<u>77</u>	<u>25,720</u>	<u>285</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 8.50% (2014 9.00%).
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 8. Inventories & Other Assets

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
Inventories					
Stores & Materials		919	-	899	-
Total Inventories		919	-	899	-
Other Assets					
Prepayments		645	-	664	-
Total Other Assets		645	-	664	-
TOTAL INVENTORIES / OTHER ASSETS		1,564	-	1,563	-
Externally Restricted Assets					
Water					
Prepayments		27	-	30	-
Total Water		27	-	30	-
Sewerage					
Prepayments		26	-	26	-
Total Sewerage		26	-	26	-
Domestic Waste Management					
Nil					
Tweed Coast Holiday Parks					
Prepayments		154	-	126	-
Total Other		154	-	126	-
Total Externally Restricted Assets		207	-	182	-
Total Internally Restricted Assets		-	-	-	-
Total Unrestricted Assets		1,357	-	1,381	-
TOTAL INVENTORIES & OTHER ASSETS		1,564	-	1,563	-

Other Disclosures**Inventory Write Downs**

There were no amounts recognised as an expense relating to the write down of Inventory balances held during the year.

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of other assets held.

Tweed Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2014					Asset Movements during the Reporting Period								as at 30/6/2015				
	At Cost	At Fair Value	Accumulated		Carrying Value	Asset Additions	WDV of Asset Disposals	Depreciation Expense	WIP Transfers	Adjustments & Transfers	Other Movements	Revaluation Decrements to Equity (ARR)	Revaluation Increments to Equity (ARR)	At Cost	At Fair Value	Accumulated		Carrying Value
			Dep'n	Impairment												Dep'n	Impairment	
Capital Work in Progress	13,302	-	-	-	13,302	11,025	-	-	(12,106)	-	(727)	-	-	11,494	-	-	-	11,494
Plant & Equipment	-	34,803	14,859	-	19,944	4,088	(1,962)	(2,753)	1,874	-	(12)	-	-	-	36,661	15,482	-	21,179
Office Equipment	-	1,457	1,167	-	290	257	-	(119)	-	-	-	-	-	-	1,616	1,188	-	428
Furniture & Fittings	-	2,161	1,689	-	472	278	-	(128)	51	-	-	-	-	-	2,489	1,816	-	673
Land:																		
- Operational Land	-	442,875	-	-	442,875	10,038	(1,310)	-	12	124	-	4,128	-	-	455,867	-	-	455,867
- Community Land	-	160,501	-	-	160,501	629	-	-	-	(125)	-	89	-	-	161,094	-	-	161,094
- Land under Roads (pre 1/7/08)	-	41,867	-	-	41,867	-	-	-	-	-	-	-	-	-	41,867	-	-	41,867
- Land under Roads (post 30/6/08)	-	2,100	-	-	2,100	138	-	-	-	-	-	-	-	-	2,238	-	-	2,238
Buildings - Non Specialised	-	129,839	13,886	-	115,953	6,896	(275)	(1,498)	4,791	668	206	(201)	-	-	142,932	16,392	-	126,540
Buildings - Specialised	-	6,677	419	-	6,258	90	-	(33)	-	-	-	-	-	-	6,767	452	-	6,315
Other Structures	-	654	286	-	368	-	-	(19)	-	-	-	-	-	-	654	305	-	349
Infrastructure:																		
- Roads	-	621,758	175,919	-	445,839	11,470	(1,436)	(15,645)	1,292	4,204	-	57,549	-	-	661,640	158,367	-	503,273
- Bridges	-	173,377	18,234	-	155,143	1,214	(248)	(2,155)	2	2,662	-	756	-	-	182,988	25,614	-	157,374
- Footpaths	-	31,031	4,204	-	26,827	1,401	(205)	(560)	207	4,285	-	(1,249)	-	-	37,109	6,403	-	30,706
- Bulk Earthworks (non-depreciable)	-	148,049	-	-	148,049	704	-	-	-	-	-	-	-	-	148,753	-	-	148,753
- Stormwater Drainage	-	204,272	63,455	-	140,817	3,873	(35)	(2,791)	309	1,088	-	6,915	-	-	221,616	71,440	-	150,176
- Water Supply Network	-	609,447	155,861	-	453,586	2,267	(47)	(7,097)	152	-	-	6,727	-	-	620,979	165,391	-	455,588
- Sewerage Network	-	746,567	199,745	-	546,822	5,486	(1,861)	(10,326)	1,585	-	-	8,126	-	-	762,147	212,315	-	549,832
- Swimming Pools	-	5,384	1,599	-	3,785	23	(12)	(245)	-	-	-	-	-	-	5,384	1,833	-	3,551
- Other Open Space/Recreational Assets	-	17,365	6,926	-	10,439	2,721	(86)	(835)	1,827	6,743	-	3,874	-	-	32,163	7,480	-	24,683
- Other Infrastructure	-	13,624	4,190	-	9,434	322	-	(501)	4	(630)	-	-	-	-	13,136	4,507	-	8,629
Other Assets:																		
- Artworks	-	3,797	-	-	3,797	1,150	-	-	-	-	-	-	-	-	4,947	-	-	4,947
Reinstatement, Rehabilitation & Restoration Assets (refer Note 26):																		
- Tip Assets	-	687	621	-	66	-	-	(11)	-	-	-	-	-	-	687	632	-	55
- Quarry Assets	-	351	340	-	11	-	-	(4)	-	-	-	-	-	-	176	169	-	7
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	13,302	3,398,643	663,400	-	2,748,545	64,070	(7,477)	(44,720)	-	19,019	(533)	(1,450)	88,164	11,494	3,543,910	689,786	-	2,865,618

Additions to Buildings & Infrastructure Assets are made up of Asset Renewals (\$16,511) and New Assets (\$30,126).
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.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 9b. Externally Restricted Infrastructure, Property, Plant & Equipment

\$ '000	Actual				Actual			
	2015				2014			
Class of Asset	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	-	2,264	-	2,264	-	1,163	-	1,163
Plant & Equipment	-	132	85	47	-	85	54	31
Furniture & Fittings	-	20	20	-	-	20	20	-
Land								
- Operational Land	-	35,120	-	35,120	-	34,814	-	34,814
- Community Land	-	86	-	86	-	86	-	86
Buildings	-	2,573	644	1,929	-	2,853	612	2,241
Infrastructure	-	620,627	165,391	455,236	-	609,093	155,861	453,232
Other Assets	-	352	-	352	-	354	-	354
Total Water Supply	-	661,174	166,140	495,034	-	648,468	156,547	491,921
Sewerage Services								
WIP	-	3,845	-	3,845	-	2,947	-	2,947
Plant & Equipment	-	1,172	861	311	-	1,168	792	376
Office Equipment	-	26	26	-	-	26	26	-
Furniture & Fittings	-	87	87	-	-	87	87	-
Land								
- Operational Land	-	44,126	-	44,126	-	43,642	-	43,642
- Community Land	-	238	-	238	-	238	-	238
Buildings	-	6,382	445	5,937	-	6,382	406	5,976
Infrastructure	-	762,148	212,315	549,833	-	746,566	199,745	546,821
Total Sewerage Services	-	818,024	213,734	604,290	-	801,056	201,056	600,000
Domestic Waste Management								
Plant & Equipment	-	23	15	8	-	129	116	13
Office Equipment	-	16	16	-	-	16	16	-
Furniture & Fittings	-	198	122	76	-	198	102	96
Land								
- Operational Land	-	2,699	-	2,699	-	3,199	-	3,199
Buildings	-	956	286	670	-	848	243	605
Infrastructure	-	70	67	3	-	131	112	19
Total DWM	-	3,962	506	3,456	-	4,521	589	3,932
Other Restricted Assets								
- Capital WIP	-	581	-	581	-	1,604	-	1,604
- Plant & Equipment	-	4,574	2,346	2,228	-	2,929	2,390	539
- Office Equipment	-	137	124	13	-	137	119	18
- Operational Land	-	79,615	-	79,615	-	79,615	-	79,615
Buildings	-	13,204	1,657	11,547	-	11,684	1,793	9,891
Swimming Pools	-	391	302	89	-	390	301	89
Total Other Restrictions	-	98,502	4,429	94,073	-	96,359	4,603	91,756
TOTAL RESTRICTED I,PP&E	-	1,581,662	384,809	1,196,853	-	1,550,404	362,795	1,187,609

Tweed Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 9c. Infrastructure, Property, Plant & Equipment - Current Year Impairments

\$ '000	Notes	Actual 2015	Actual 2014
Impairment Losses recognised direct to Equity (ARR):			
Buildings non-specialised		-	(239)
Total Impairment Losses		-	(239)
<u>IMPAIRMENT of ASSETS - DIRECT to EQUITY (ARR)</u>	20 (ii)	<u>-</u>	<u>(239)</u>

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		9,243	-	8,222	-
Payments Received In Advance		3,840	-	3,630	-
Accrued Expenses:					
- Borrowings		464	-	488	-
- Other Expenditure Accruals		47	-	119	-
Security Bonds, Deposits & Retentions		1,333	416	1,611	405
Total Payables		14,927	416	14,070	405
Borrowings					
Loans - Secured ¹		7,221	177,072	7,251	178,247
Total Borrowings		7,221	177,072	7,251	178,247
Provisions					
Employee Benefits:					
Annual Leave		5,005	-	5,104	-
Sick Leave		1,023	4,545	848	4,330
Long Service Leave		12,222	322	10,624	439
Sub Total - Aggregate Employee Benefits		18,250	4,867	16,576	4,769
Asset Remediation/Restoration (Future Works) ²⁶		-	898	-	897
Total Provisions		18,250	5,765	16,576	5,666
Total Payables, Borrowings & Provisions		40,398	183,253	37,897	184,318
(i) Liabilities relating to Restricted Assets					
		2015		2014	
		Current	Non Current	Current	Non Current
Externally Restricted Assets					
Water		1,756	63,545	1,474	64,803
Sewer		2,667	31,800	3,088	33,886
Other		1,746	-	2,001	-
Other - Holiday Parks		2,183	1,032	2,540	-
Liabilities relating to externally restricted assets		8,352	96,377	9,103	98,689
Internally Restricted Assets					
Nil					
Total Liabilities relating to restricted assets		8,352	96,377	9,103	98,689
Total Liabilities relating to Unrestricted Assets		32,046	86,876	28,794	85,629
TOTAL PAYABLES, BORROWINGS & PROVISIONS		40,398	183,253	37,897	184,318

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.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 10a. Payables, Borrowings & Provisions (continued)

\$ '000	Actual 2015	Actual 2014
(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	10,989	10,000
Payables - Security Bonds, Deposits & Retentions	300	220
	<u>11,289</u>	<u>10,220</u>

Note 10b. Description of and movements in Provisions

Class of Provision	2014		2015			
	Opening Balance as at 1/7/14	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	Closing Balance as at 30/6/15
Annual Leave	5,104	3,215	(3,314)	-	-	5,005
Sick Leave	5,178	825	(435)	-	-	5,568
Long Service Leave	11,063	2,297	(816)	-	-	12,544
Asset Remediation	897	1	-	-	-	898
TOTAL	22,242	6,338	(4,565)	-	-	24,015

- a. Employees Leave Entitlements & On-Costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.
- b. Asset Remediation, Reinstatement & Restoration Provisions represent the Present Value estimate of future costs Council will incur in order to remove, restore & remediate assets &/or activities as a result of past operations.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2015	Actual 2014
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	11,517	16,407
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		11,517	16,407
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		42,686	24,194
Adjust for non cash items:			
Depreciation & Amortisation		45,043	43,678
Net Losses/(Gains) on Disposal of Assets		5,681	4,588
Non Cash Capital Grants and Contributions		(25,472)	(18,987)
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investments classified as "At Fair Value" or "Held for Trading"		(125)	(433)
- Other		-	6,634
Amortisation of Premiums, Discounts & Prior Period Fair Valuations			
- Interest Exp. on Interest Free Loans received by Council (previously Fair Valued)		602	679
Unwinding of Discount Rates on Reinstatement Provisions		1	15
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		8,150	(1,834)
Increase/(Decrease) in Provision for Doubtful Debts		70	(131)
Decrease/(Increase) in Inventories		(20)	(92)
Decrease/(Increase) in Other Assets		19	843
Increase/(Decrease) in Payables		1,021	(623)
Increase/(Decrease) in accrued Interest Payable		(24)	(30)
Increase/(Decrease) in other accrued Expenses Payable		(72)	97
Increase/(Decrease) in Other Liabilities		(57)	1,218
Increase/(Decrease) in Employee Leave Entitlements		1,772	(359)
Increase/(Decrease) in Other Provisions		-	(209)
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		79,275	59,248

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 11. Statement of Cash Flows - Additional Information (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(c) Non-Cash Investing & Financing Activities			
Art Gallery		1,121	463
Development Contributions - General		10,915	10,313
Development Contributions - Water		1,612	2,825
Development Contributions - Sewerage		2,976	5,386
Other Non Cash Items		8,848	-
Total Non-Cash Investing & Financing Activities		25,472	18,987
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdraft Facilities ⁽¹⁾		1,000	1,000
Credit Cards / Purchase Cards		300	300
Total Financing Arrangements		1,300	1,300
Amounts utilised as at Balance Date:			
- Credit Cards / Purchase Cards		28	19
Total Financing Arrangements Utilised		28	19

1. The Bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.
Interest rates on overdrafts are Interest Rates on Loans & Other Payables are disclosed in Note 15.

(ii) Secured Loan Liabilities

Loans are secured by a mortgage over future years Rate Revenue only.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2015	Actual 2014
(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			
Buildings		775	467
Other		1,649	2,357
Total Commitments		2,424	2,824
These expenditures are payable as follows:			
Within the next year		2,424	2,722
Later than one year and not later than 5 years		-	102
Total Payable		2,424	2,824
Sources for Funding of Capital Commitments:			
Unrestricted General Funds		887	1,207
Section 94 Contributions		624	77
Unexpended Grants		220	1,213
Externally Restricted Reserves		114	-
Internally Restricted Reserves		12	93
Unexpended Loans		357	3
Unrestricted Water Funds		111	66
Unrestricted Sewerage Funds		99	165
Total Sources of Funding		2,424	2,824

(b) Finance Lease Commitments

Nil

(c) Operating Lease Commitments (Non Cancellable)**a. Commitments under Non Cancellable Operating Leases at the Reporting date, but not recognised as Liabilities are payable:**

Within the next year		437	416
Later than one year and not later than 5 years		588	576
Total Non Cancellable Operating Lease Commitments		1,025	992

b. Non Cancellable Operating Leases include the following assets:

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

Conditions relating to Operating Leases:

- All Operating Lease Agreements are secured only against the Leased Asset.
- No Lease Agreements impose any financial restrictions on Council regarding future debt etc.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 13a(i). Statement of Performance Measurement - Indicators (Consolidated)

\$ '000	Amounts 2015	Indicator 2015	Prior Periods 2014 2013	
Local Government Industry Indicators - Consolidated				
1. Operating Performance Ratio				
Total continuing operating revenue ⁽¹⁾				
<u>(excl. Capital Grants & Contributions) - Operating Expenses</u>	<u>2,760</u>	1.63%	-10.92%	-4.52%
Total continuing operating revenue ⁽¹⁾	169,249			
(excl. Capital Grants & Contributions)				
2. Own Source Operating Revenue Ratio				
Total continuing operating revenue ⁽¹⁾				
<u>(excl. ALL Grants & Contributions)</u>	<u>149,054</u>	69.41%	69.82%	74.91%
Total continuing operating revenue ⁽¹⁾	214,731			
(excl. Capital Grants & Contributions)				
3. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽²⁾	<u>74,503</u>	3.59x	3.26	3.51
Current Liabilities less Specific Purpose Liabilities ^(3, 4)	<u>20,757</u>			
4. Debt Service Cover Ratio				
Operating Result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation	<u>61,453</u>	2.94x	1.93	2.07
Principal Repayments (from the Statement of Cash Flows)	<u>20,901</u>			
+ Borrowing Costs (from the Income Statement)				
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual and Extra Charges Outstanding	<u>5,168</u>	5.05%	5.76%	7.04%
Rates, Annual and Extra Charges Collectible	<u>102,362</u>			
6. Cash Expense Cover Ratio				
Current Year's Cash and Cash Equivalents				
<u>+ All Term Deposits</u>	<u>177,936</u>	16.12	12.49	12.01
Payments from cash flow of operating and financing activities	<u>11,041</u>	mths		

Notes

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

(2) Refer Notes 6-8 inclusive.

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

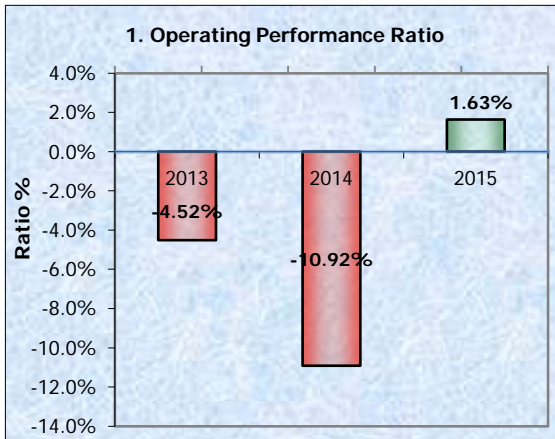
(3) Refer to Note 10(a).

(4) Refer to Note 10(a)(ii) - excludes all payables & provisions not expected to be paid in the next 12 months (incl. ELE).

Tweed Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)



Purpose of Operating Performance Ratio

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

Commentary on 2014/15 Result

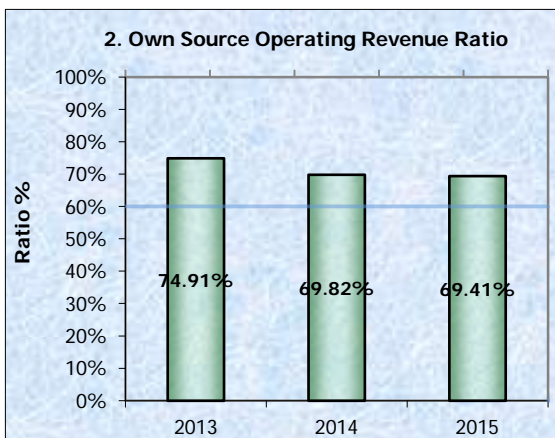
2014/15 Ratio 1.63%

This ratio has improved due to abnormal expenditure items in 2014 no longer occurring in 2015.

Benchmark: ——— Minimum $\geq 0.00\%$

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

Ratio is within Benchmark
 Ratio is outside Benchmark



Purpose of Own Source Operating Revenue Ratio

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

Commentary on 2014/15 Result

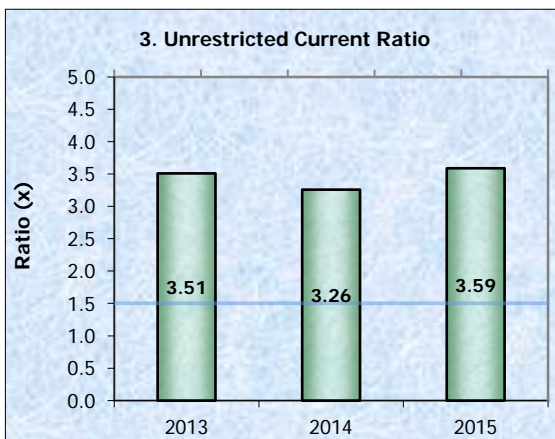
2014/15 Ratio 69.41%

Remains at an acceptable ratio

Benchmark: ——— Minimum $\geq 60.00\%$

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

Ratio is within Benchmark
 Ratio is outside Benchmark



Purpose of Unrestricted Current Ratio

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

Commentary on 2014/15 Result

2014/15 Ratio 3.59x

Remains at an acceptable ratio

Benchmark: ——— Minimum ≥ 1.50

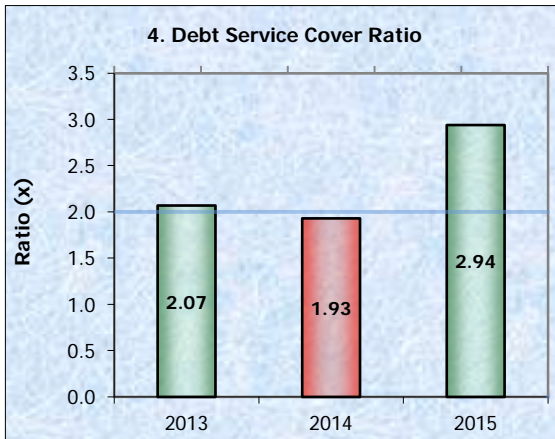
Source for Benchmark: Code of Accounting Practice and Financial Reporting #23

Ratio is within Benchmark
 Ratio is outside Benchmark

Tweed Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)



Purpose of Debt Service Cover Ratio

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

Commentary on 2014/15 Result

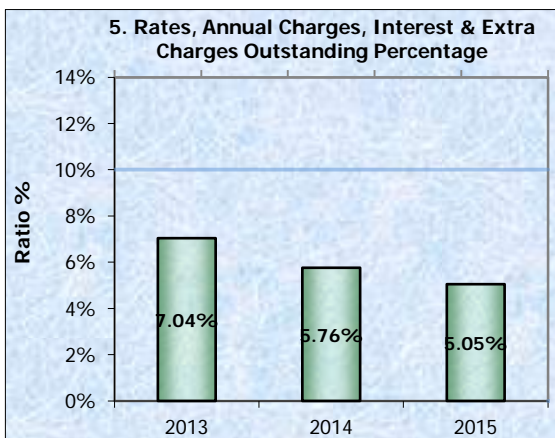
2014/15 Ratio 2.94x

Operating cash is at least twice that required to service Council's debt

Benchmark: Minimum ≥ 2.00

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

Ratio is within Benchmark
 Ratio is outside Benchmark



Purpose of Rates & Annual Charges Outstanding Ratio

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

Commentary on 2014/15 Result

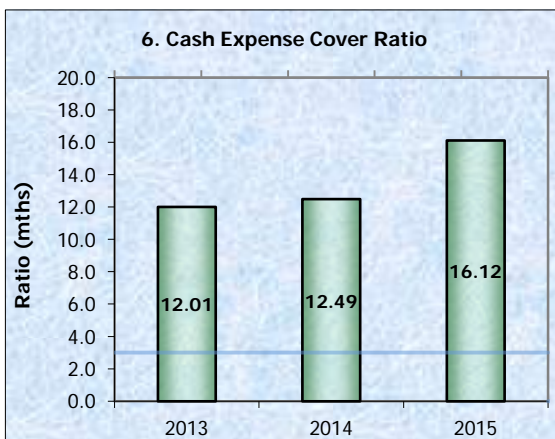
2014/15 Ratio 5.05%

Level of outstanding rates & annual charges has improved

Benchmark: Maximum $< 10.00\%$

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

Ratio is within Benchmark
 Ratio is outside Benchmark



Purpose of Cash Expense Cover Ratio

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

Commentary on 2014/15 Result

2014/15 Ratio 16.12 mths

Remains at an acceptable ratio

Benchmark: Minimum ≥ 3.00

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

Ratio is within Benchmark
 Ratio is outside Benchmark

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 13b. Statement of Performance Measurement - Indicators (by Fund)

\$ '000	Water 2015	Sewer 2015	General ⁵ 2015
Local Government Industry Indicators - by Fund			
1. Operating Performance Ratio			
Total continuing operating revenue ⁽¹⁾			
<u>(excl. Capital Grants & Contributions) - Operating Expenses</u>	-11.44%	-2.44%	5.43%
Total continuing operating revenue ⁽¹⁾			
(excl. Capital Grants & Contributions)	prior period: -3.51%	-6.52%	-13.93%
2. Own Source Operating Revenue Ratio			
Total continuing operating revenue ⁽¹⁾			
<u>(excl. ALL Grants & Contributions)</u>	78.40%	84.44%	64.04%
Total continuing operating revenue ⁽¹⁾			
	prior period: 73.39%	73.60%	67.79%
3. Unrestricted Current Ratio			
<u>Current Assets less all External Restrictions⁽²⁾</u>	13.69x	10.39x	3.59x
Current Liabilities less Specific Purpose Liabilities ^(3, 4)			
	prior period: 16.12	8.04	3.26
4. Debt Service Cover Ratio			
<u>Operating Result⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation</u>	1.45x	1.97x	4.38x
Principal Repayments (from the Statement of Cash Flows) + Borrowing Costs (from the Income Statement)			
	prior period: 1.66	1.90	2.11
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage			
<u>Rates, Annual and Extra Charges Outstanding</u>	4.80%	4.64%	5.22%
Rates, Annual and Extra Charges Collectible			
	prior period: 5.18%	5.07%	6.05%
6. Cash Expense Cover Ratio			
Current Year's Cash and Cash Equivalents <u>+ All Term Deposits</u>	21.28	32.15	10.84
Payments from cash flow of operating and financing activities	mths	mths	mths
	prior period: 12.67	30.96	8.34

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.

Tweed Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 14. Investment Properties

\$ '000	Notes	Actual 2015	Actual 2014
(a) Investment Properties at Fair value			
<u>Investment Properties on Hand</u>			
		-	-
Reconciliation of Annual Movement:			
Opening Balance		-	1,276
- Disposals during Year		-	(55)
- Transfers from/(to) Owner Occupied (Note 9)		-	(1,221)
CLOSING BALANCE - INVESTMENT PROPERTIES		-	-

(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.

(c) Contractual Obligations at Reporting Date

Refer to Note 12 for disclosures relating to any Capital and Service obligations that have been contracted.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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	
	2015	2014	2015	2014
Financial Assets				
Cash and Cash Equivalents	11,517	16,407	15,462	16,302
Investments				
- "Held for Trading"	57,296	48,772	57,296	48,772
- "Held to Maturity"	166,419	128,531	162,531	128,351
Receivables	17,578	26,005	17,635	26,005
Total Financial Assets	252,810	219,715	252,924	219,430
Financial Liabilities				
Payables	11,503	10,845	11,332	10,560
Loans / Advances	184,293	185,498	218,080	209,084
Total Financial Liabilities	195,796	196,343	229,412	219,644

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

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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 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 there 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.

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
2015				
Possible impact of a 10% movement in Market Values	5,730	5,730	(5,730)	(5,730)
Possible impact of a 1% movement in Interest Rates	2,352	2,352	(2,352)	(2,352)
2014				
Possible impact of a 10% movement in Market Values	4,877	4,877	(4,877)	(4,877)
Possible impact of a 1% movement in Interest Rates	1,936	1,936	(1,936)	(1,936)

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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:

	2015 Rates & Annual Charges	2015 Other Receivables	2014 Rates & Annual Charges	2014 Other Receivables
(i) Ageing of Receivables - %				
Current (not yet overdue)	0%	95%	0%	96%
Overdue	100%	5%	100%	4%
	100%	100%	100%	100%

		2015 Rates & Annual Charges	2015 Other Receivables	2014 Rates & Annual Charges	2014 Other Receivables
(ii) Ageing of Receivables - value					
Rates & Annual Charges	Other Receivables				
Current	Current	1	12,437	-	20,252
< 1 year overdue	0 - 30 days overdue	3,067	-	5,104	-
1 - 2 years overdue	30 - 60 days overdue	794	447	-	410
2 - 5 years overdue	60 - 90 days overdue	606	81	-	75
> 5 years overdue	> 90 days overdue	164	184	-	296
		4,632	13,149	5,104	21,033

(iii) Movement in Provision for Impairment of Receivables

	2015	2014
Balance at the beginning of the year	132	263
+ new provisions recognised during the year	81	12
- amounts already provided for & written off this year	(6)	(128)
- amounts provided for but recovered during the year	(5)	(15)
Balance at the end of the year	202	132

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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		
2015									
Trade/Other Payables	1,749	9,754	-	-	-	-	-	11,503	11,503
Loans & Advances	-	20,810	20,610	20,466	20,285	20,112	229,315	331,598	184,293
Total Financial Liabilities	1,749	30,564	20,610	20,466	20,285	20,112	229,315	343,101	195,796
2014									
Trade/Other Payables	2,016	8,829	-	-	-	-	-	10,845	10,845
Loans & Advances	-	20,921	20,319	20,119	19,975	19,794	241,701	342,829	185,498
Total Financial Liabilities	2,016	29,750	20,319	20,119	19,975	19,794	241,701	353,674	196,343

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:

	2015		2014	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	11,503	0.0%	10,845	0.0%
Loans & Advances - Fixed Interest Rate	155,449	6.8%	155,783	6.8%
Loans & Advances - Variable Interest Rate	28,844	8.3%	29,715	8.3%
	<u>195,796</u>		<u>196,343</u>	

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 14/15 was adopted by the Council on 19 June 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	2015 Budget	2015 Actual	2015 ----- Variance* -----		
REVENUES					
Rates & Annual Charges	94,366	95,698	1,332	1%	F
User Charges & Fees	37,655	40,501	2,846	8%	F
Interest & Investment Revenue	9,184	8,936	(248)	(3%)	U
Other Revenues	1,582	4,044	2,462	156%	F
Settlements from legal matters were received during the period. In addition substantial legal fees income for the recovery of rates & annual charges were received. Neither of these items were included in the budget.					
Operating Grants & Contributions	15,896	20,195	4,299	27%	F
Grant funds were received for a number of unbudgetted items, including flood restoration, recycling, and biodiversity.					
Capital Grants & Contributions	23,223	45,482	22,259	96%	F
Non-cash contributions, representing dedicated assets, are not included in the budget					

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 16. Material Budget Variations (continued)

\$ '000	2015 Budget	2015 Actual	2015 ----- Variance* -----		
EXPENSES					
Employee Benefits & On-Costs	46,710	50,163	(3,453)	(7%)	U
Borrowing Costs	13,041	13,650	(609)	(5%)	U
Materials & Contracts	50,946	44,330	6,616	13%	F
A number of maintenance projects were unfinished or not commenced and were rolled over to 2015/16.					
Depreciation & Amortisation	41,368	45,043	(3,675)	(9%)	U
Other Expenses	14,708	13,303	1,405	10%	F
Substantial savings were achieved for electricity charges through the abolition of the Carbon Tax and also through cost saving measures.					
Net Losses from Disposal of Assets	-	5,681	(5,681)		U
Gains and losses from asset disposals are not included in the budget					
Budget Variations relating to Council's Cash Flow Statement include:					
Cash Flows from Operating Activities	56,502	79,275	22,773	40.3%	F
Favourable results from the introduction of quarterly water billing was greater than foreseen. In addition, the receipt of GST input taxed credits is not budgeted for.					
Cash Flows from Investing Activities	(58,871)	(82,358)	(23,487)	39.9%	U
Purchase of investment securities exceeded budget expectations					
Cash Flows from Financing Activities	(1,039)	(1,807)	(768)	73.9%	U
Better than expected cash revenues allowed a reduction in loan borrowing in 2015/2016.					

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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	576	-	-	22	-	-	598	14,505	(14,825)	278	-
Roads	8,090	2,660	-	355	(316)	-	10,789	298,032	(475,298)	(166,477)	-
Traffic Facilities	66	17	-	3	(1)	-	85	23	(92)	16	-
Parking	1,408	36	-	53	(68)	-	1,429	14,782	(49)	16,162	-
Open Space	7,563	1,510	-	303	(2,396)	-	6,980	58,965	(51,366)	14,579	-
Community Facilities	3,431	653	-	141	(153)	-	4,072	17,275	(38,707)	(17,360)	-
Path/Cycleways	238	91	-	11	(5)	-	335	2,238	(2,401)	172	-
Street Trees	168	15	-	7	(2)	-	188	-	-	188	-
Other	1,345	560	-	60	(465)	-	1,500	25,942	(26,303)	1,139	-
S94 Contributions - under a Plan	22,885	5,542	-	955	(3,406)	-	25,976	431,762	(609,041)	(151,303)	-
Total S94 Revenue Under Plans	22,885	5,542	-	955	(3,406)	-	25,976				-
S94 not under Plans	754	-	-	29	-	-	783	-	-	783	-
S64 Contributions	2,615	6,424	4,590	97	(6,485)	-	2,651				
Total Contributions	26,254	11,966	4,590	1,081	(9,891)	-	29,410	431,762	(609,041)	(150,520)	-

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 1

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	
Open Space	4,093	49	-	156	(2)	-	4,296	767	(4,070)	993	-
Total	4,093	49	-	156	(2)	-	4,296	767	(4,070)	993	-

CONTRIBUTION PLAN NUMBER 2

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	586	-	-	22	-	-	608	-	(400)	208	-
Total	586	-	-	22	-	-	608	-	(400)	208	-

CONTRIBUTION PLAN NUMBER 3

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	1	-	-	1	-	-	2	-	-	2	-
Total	1	-	-	1	-	-	2	-	-	2	-

CONTRIBUTION PLAN NUMBER 4

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	8,002	2,660	-	352	(316)	-	10,698	298,032	(475,298)	(166,568)	-
Total	8,002	2,660	-	352	(316)	-	10,698	298,032	(475,298)	(166,568)	-

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 5

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	
Open Space	634	38	-	20	(357)	-	335	5,458	(5,435)	358	-
Total	634	38	-	20	(357)	-	335	5,458	(5,435)	358	-

CONTRIBUTION PLAN NUMBER 6

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	
Street Trees	168	15	-	7	(2)	-	188	-	-	188	-
Total	168	15	-	7	(2)	-	188	-	-	188	-

CONTRIBUTION PLAN NUMBER 7

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)	14,505	(14,425)	70	-
Open Space	457	-	-	17	(5)	-	469	3,947	(3,977)	439	-
Total	447	-	-	17	(5)	-	459	18,452	(18,402)	509	-

CONTRIBUTION PLAN NUMBER 11

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 (Libraries)	1,822	243	-	73	(128)	-	2,010	9,788	(38,679)	(26,881)	-
Total	1,822	243	-	73	(128)	-	2,010	9,788	(38,679)	(26,881)	-

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 12

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	
Traffic Facilities - Bus Shelters (Other)	66	17	-	3	(1)	-	85	23	(92)	16	-
Total	66	17	-	3	(1)	-	85	23	(92)	16	-

CONTRIBUTION PLAN NUMBER 13

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	
Other (Cemeteries)	23	34	-	2	(2)	-	57	2,034	(1,601)	490	-
Total	23	34	-	2	(2)	-	57	2,034	(1,601)	490	-

CONTRIBUTION PLAN NUMBER 14

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 (Mebbin Springs)	88	-	-	3	-	-	91	-	-	91	-
Total	88	-	-	3	-	-	91	-	-	91	-

CONTRIBUTION PLAN NUMBER 15

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	706	282	-	32	(17)	-	1,003	125	(23)	1,105	-
Total	706	282	-	32	(17)	-	1,003	125	(23)	1,105	-

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 16

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	
Other (Surf Lifesaving)	377	8	-	14	(1)	-	398	25	(212)	211	-
Total	377	8	-	14	(1)	-	398	25	(212)	211	-

CONTRIBUTION PLAN NUMBER 18

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	
Other (Council Admin Fees)	945	518	-	44	(462)	-	1,045	23,883	(24,490)	438	-
Total	945	518	-	44	(462)	-	1,045	23,883	(24,490)	438	-

CONTRIBUTION PLAN NUMBER 19

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	
Open Space	(408)	21	-	(15)	(20)	-	(422)	8,221	(977)	6,822	-
Community Facilities	902	128	-	35	(8)	-	1,057	7,362	(5)	8,414	-
Path/Cycleways	101	-	-	4	-	-	105	4	-	109	-
Total	595	149	-	24	(28)	-	740	15,587	(982)	15,345	-

CONTRIBUTION PLAN NUMBER 20

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	
Open Space	1	-	-	-	-	-	1	-	-	1	-
Total	1	-	-	-	-	-	1	-	-	1	-

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 21

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	
Open Space	30	-	-	1	-	-	31	-	-	31	-
Total	30	-	-	1	-	-	31	-	-	31	-

CONTRIBUTION PLAN NUMBER 22

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	
Path/Cycleways (Shire Wide Cycleways)	137	91	-	7	(5)	-	230	2,234	(2,401)	63	-
Total	137	91	-	7	(5)	-	230	2,234	(2,401)	63	-

CONTRIBUTION PLAN NUMBER 23

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 (Shire Wide Car Parking)	1,408	36	-	53	(68)	-	1,429	14,782	(49)	16,162	-
Total	1,408	36	-	53	(68)	-	1,429	14,782	(49)	16,162	-

CONTRIBUTION PLAN NUMBER 25

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	
Open Space (Salt Open Space)	1,115	-	-	42	(19)	-	1,138	6	(115)	1,029	-
Total	1,115	-	-	42	(19)	-	1,138	6	(115)	1,029	-

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 26

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	
Open Space (Shirewide)	1,362	1,241	-	68	(1,972)	-	699	40,566	(36,784)	4,481	-
Total	1,362	1,241	-	68	(1,972)	-	699	40,566	(36,784)	4,481	-

CONTRIBUTION PLAN NUMBER 27

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	
Open Space	172	-	-	6	-	-	178	-	(8)	170	-
Total	172	-	-	6	-	-	178	-	(8)	170	-

CONTRIBUTION PLAN NUMBER 28

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	
Open Space	108	161	-	8	(21)	-	256	-	-	256	-
Total	108	161	-	8	(21)	-	256	-	-	256	-

CONTRIBUTION PLAN NUMBER 10

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	
Open Space	(1)	-	-	-	-	-	(1)	-	-	(1)	-
Total	(1)	-	-	-	-	-	(1)	-	-	(1)	-

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 17. Statement of Developer Contributions (continued)

\$ '000

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	272	-	-	11	-	-	283	-	-	283	-
Traffic Facilities	101	-	-	4	-	-	105	-	-	105	-
Open Space	402	-	-	15	-	-	417	-	-	417	-
Community Facilities	(23)	-	-	(1)	-	-	(24)	-	-	(24)	-
Footpath	2	-	-	-	-	-	2	-	-	2	-
Total	754	-	-	29	-	-	783	-	-	783	-

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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.

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) Other Guarantees

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

2. Other Liabilities

(i) 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.

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.

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.

(ii) Richmond - Tweed Regional Library

Council together with other local government authorities to operate a regional facility known as the Richmond-Tweed Regional Library.

Annually, Councils contribute to fund its activities based upon a formula. In the event that Council wishes to withdraw from the arrangement, Council will receive it's attributable share of assets and liabilities.

Tweed Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 18. Contingencies & Other Assets/Liabilities Not Recognised (continued)

\$ '000

LIABILITIES NOT RECOGNISED (continued):

2. Other Liabilities (continued)

(iii) Legal Issues

Council can defend actions in Land & Environment Court. It is not practical to estimate the amount, if any, for which the Council could be liable thereof.

ASSETS NOT RECOGNISED:

(i) Infringement Notices/Fines

Fines & Penalty Income, the result of Council issuing Infringement Notices is followed up and collected by the Infringement Processing Bureau.

Council's Revenue Recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at Year End, there is a potential asset due to Council representing issued but unpaid Infringement Notices.

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

Note 19. Interests in Other Entities

Council has no material interest in any Controlled Entities, Joint Arrangements or Associates. Further disclosure of these arrangements is included in Note 1.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2015	Actual 2014
(a) Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		1,256,878	1,224,315
a. Correction of Prior Period Errors	20 (c)	19,020	27,389
b. Net Operating Result for the Year		42,686	24,194
Balance at End of the Reporting Period		<u>1,318,584</u>	<u>1,275,898</u>

(b) Reserves**(i) Reserves are represented by:**

- Infrastructure, Property, Plant & Equipment Revaluation Reserve	1,577,863	1,491,149
Total	<u>1,577,863</u>	<u>1,491,149</u>

(ii) Reconciliation of movements in Reserves:

Infrastructure, Property, Plant & Equipment Revaluation Reserve		
- Opening Balance	1,491,149	1,423,413
- Revaluations for the year	9(a) 86,714	67,975
- (Impairment of revalued assets) / Impairment reversals	9(a),(c) -	(239)
- Balance at End of Year	<u>1,577,863</u>	<u>1,491,149</u>
TOTAL VALUE OF RESERVES	<u>1,577,863</u>	<u>1,491,149</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.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 20. Equity - Retained Earnings and Revaluation Reserves (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(c) Correction of Error/s relating to a Previous Reporting Period			
Correction of errors disclosed in this year's financial statements:			
During 2014/15 Council performed revaluations and condition assessments on various asset classes. Assets were identified that were not previously included and have now been recognised for the first time:			
Roads		4,204	-
Bridges		2,154	-
Stormwater drainage		1,088	-
Footpaths		4,794	-
Other Open Space/Recreational assets		6,754	-
Buildings identified and recognised in Council's asset register for the first time:		26	-
Comparative figures in the Statement of Financial Position have been restated, however Council does not deem it sufficiently material to disclose a third Statement of Financial Position.			
Correction of errors as disclosed in last year's financial statements:			
During the prior year Council reviewed its assessment of control of buildings revalued in 2013. Arising from this review a number of buildings were recognised in Council's Statement of Financial Position for the first time.			
		-	5,129
Cemeteries land considered to be under Council control (Council Administered Crown Land) rather than State control		-	2,427
Bridges omitted from Council's asset register in prior years		-	813
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 Closing Equity - 30/6/14 (relating to adjustments for the 30/6/14 year end)		19,020	8,369
Total Prior Period Adjustments - Prior Period Errors		19,020	8,369

(d) Voluntary Changes in Accounting Policies

Council made no voluntary changes in any accounting policies during the year.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 21. Financial Result & Financial Position by Fund

Income Statement by Fund \$ '000	Actual 2015	Actual 2015	Actual 2015
Continuing Operations	Water	Sewer	General¹
Income from Continuing Operations			
Rates & Annual Charges	4,781	24,655	66,262
User Charges & Fees	17,249	3,040	20,212
Interest & Investment Revenue	1,074	2,202	5,660
Other Revenues	398	22	3,624
Grants & Contributions provided for Operating Purposes	378	519	19,298
Grants & Contributions provided for Capital Purposes	5,835	5,216	34,431
Total Income from Continuing Operations	29,715	35,654	149,487
Expenses from Continuing Operations			
Employee Benefits & on-costs	4,321	7,079	38,763
Borrowing Costs	4,650	2,978	6,022
Materials & Contracts	8,443	7,508	28,379
Depreciation & Amortisation	7,145	10,436	27,462
Impairment	-	-	-
Other Expenses	1,372	2,319	9,612
Net Losses from the Disposal of Assets	322	1,861	3,498
Share of interests in Joint Ventures & Associates using the Equity Method	-	-	-
Total Expenses from Continuing Operations	26,253	32,181	113,736
Operating Result from Continuing Operations	3,462	3,473	35,751
Discontinued Operations			
Net Profit/(Loss) from Discontinued Operations	-	-	-
Net Operating Result for the Year	3,462	3,473	35,751
Net Operating Result attributable to each Council Fund	3,462	3,473	35,751
Net Operating Result attributable to Non-controlling Interests	-	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	(2,373)	(1,743)	1,320

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.

Tweed Shire Council

Notes to the Financial Statements

as at 30 June 2015

Note 21. Financial Result & Financial Position by Fund (continued)

Statement of Financial Position by Fund \$ '000	Actual 2015	Actual 2015	Actual 2015
ASSETS	Water	Sewer	General¹
Current Assets			
Cash & Cash Equivalents	595	499	10,423
Investments	23,000	31,000	69,898
Receivables	3,063	2,437	12,001
Inventories	-	-	919
Other	27	26	592
Non-current assets classified as 'held for sale'	-	-	-
Total Current Assets	26,685	33,962	93,833
Non-Current Assets			
Investments	12,000	30,000	57,817
Receivables	-	-	77
Inventories	-	-	-
Infrastructure, Property, Plant & Equipment	495,034	604,290	1,766,294
Investments Accounted for using the equity method	-	-	-
Investment Property	-	-	-
Intangible Assets	-	-	106
Total Non-Current Assets	507,034	634,290	1,824,294
TOTAL ASSETS	533,719	668,252	1,918,127
LIABILITIES			
Current Liabilities			
Payables	498	581	13,848
Borrowings	1,258	2,086	3,877
Provisions	-	-	18,250
Total Current Liabilities	1,756	2,667	35,975
Non-Current Liabilities			
Payables	-	-	416
Borrowings	63,545	31,800	81,727
Provisions	-	-	5,765
Total Non-Current Liabilities	63,545	31,800	87,908
TOTAL LIABILITIES	65,301	34,467	123,883
Net Assets	468,418	633,785	1,794,244
EQUITY			
Retained Earnings	191,624	232,038	894,922
Revaluation Reserves	276,794	401,747	899,322
Total Equity	468,418	633,785	1,794,244

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.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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 2015) 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 29/10/15.

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 2015.

(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 2015 and which are only indicative of conditions that arose after 30 June 2015.

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".

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 25. Intangible Assets

\$ '000	Actual 2015	Actual 2014
Intangible Assets represent identifiable non-monetary asset without physical substance.		
Intangible Assets are as follows;		
Opening Values:		
Gross Book Value (1/7)	3,483	3,379
Accumulated Amortisation (1/7)	(3,064)	(2,625)
Accumulated Impairment (1/7)	-	-
Net Book Value - Opening Balance	419	754
Movements for the year		
- Purchases	10	104
- Amortisation charges	(323)	(439)
- Gross Book Value written off	(12)	-
- Accumulated Amortisation charges written off	12	-
Closing Values:		
Gross Book Value (30/6)	3,481	3,483
Accumulated Amortisation (30/6)	(3,375)	(3,064)
Accumulated Impairment (30/6)	-	-
<u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE</u>¹	<u>106</u>	<u>419</u>
¹ The Net Book Value of Intangible Assets represent:		
- Software	106	419
	<u>106</u>	<u>419</u>

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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	
		2015	2014
Tips	2020	637	634
Quarries	2020	261	263
Balance at End of the Reporting Period	10(a)	898	897

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.

Reconciliation of movement in Provision for year:

Balance at beginning of year	897	1,091
Effect of a change in other calculation estimates used	-	(28)
Amortisation of discount (expensed to borrowing costs)	1	(166)
Total - Reinstatement, rehabilitation and restoration provision	898	897

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement

\$ '000

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

- Infrastructure, Property, Plant and Equipment
- Financial Assets

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

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

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

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

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

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

2015	Fair Value Measurement Hierarchy			Total
	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring Fair Value Measurements				
Financial Assets				
Investments				
- "Held for Trading"	-	57,296	-	57,296
Total Financial Assets	-	57,296	-	57,296
Material Infrastructure, Land & Buildings				
Operational Land	-	-	455,867	455,867
Community Land	-	-	161,094	161,094
Land Under Roads	-	-	44,105	44,105
Buildings - Non Specialised	-	-	126,540	126,540
Buildings - Specialised	-	-	6,315	6,315
Roads (Including Bulk Earthworks)	-	-	652,026	652,026
Bridges	-	-	157,374	157,374
Footpaths	-	-	30,706	30,706
Stormwater Drainage	-	-	150,176	150,176
Water Supply Network	-	-	455,588	455,588
Sewerage Network	-	-	549,832	549,832
Total Infrastructure, Property, Plant & Equipment	-	-	2,789,623	2,789,623

Tweed Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

\$ '000

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

2014	Fair Value Measurement Hierarchy			Total
	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring Fair Value Measurements				
Financial Assets				
Investments - "Held for Trading"	-	48,772	-	48,772
Total Financial Assets	-	48,772	-	48,772
Material Infrastructure, Land & Buildings				
Operational Land	-	-	442,873	442,873
Community Land	-	-	160,501	160,501
Land Under Roads	-	-	43,967	43,967
Buildings - Non Specialised	-	-	115,954	115,954
Buildings - Specialised	-	-	6,258	6,258
Roads (Including Bulk Earthworks)	-	-	593,889	593,889
Bridges	-	-	155,143	155,143
Footpaths	-	-	26,827	26,827
Stormwater Drainage	-	-	140,818	140,818
Water Supply Network	-	-	453,585	453,585
Sewerage Network	-	-	546,822	546,822
Total Infrastructure, Property, Plant & Equipment	-	-	2,686,637	2,686,637

(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.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

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 2 and Level 3 inputs are as follows:

Financial Assets

Council's financial assets are held in a number of forms including cash on hand and at bank, deposits at call, term deposits, floating rate notes and fixed rate bonds. Of these, floating rate notes and fixed rate bonds are fair valued.

These investments are valued by Laminar Group Pty Ltd, using marked to market methodology. Laminar has elected to use the mid-price, that is, the price point that falls halfway between the bid and offer spread to value securities held in portfolios within the Treasury Direct system. Typically when an asset has no bid price or ask price, other level 2 inputs are used to determine the most appropriate fair value, such as quoted prices for similar assets, interest rates, yield curves and credit spreads. Appropriateness may change depending upon market conditions and asset type.

Movements in investments, including fair value movements, are reported to Council monthly.

Infrastructure, Property, Plant & Equipment

Operational Land

Council's operational land includes all of Council's land classified as operational land under the Local Government Act 1993. Land use is extremely varied and includes Public Parks, Drainage Reserves, Sports fields, Sewer Pump Stations & Community Services.

Valuation indexation indices are applied on an annual basis only where the percentage indexation results in a material change. A comprehensive revaluation is completed every five years, the most recent one being performed for 30 June 2013 by APV Valuers and Asset Management.

Where there is an active and liquid market, Fair Value is Market Value being highest and best use. When there is no active and liquid market, assessment is made as to whether there is alternative market evidence such as sales of dissimilar but comparable land. Where there is no observable market evidence, for example parks and reserves, Fair Value is then determined by the cost to acquire it (Replacement Cost) rather than what you could sell it for (Market Value).

The key unobservable input to the valuation is the rate per square metre. Influencing elements in determining a rate per square metre include market movements, location, size, shape, access, topography, exposure to traffic and facilities, condition (Impairment), use / zoning and flooding risk levels.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets, require significant professional judgement and are therefore unobservable.

Valuation techniques remained the same for this reporting period.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

Community Land

Council's Community Land is land owned by Council and Council Administered Crown Land (CACL). It is land intended for public access and use or where other restrictions apply to the land create some obligation to maintain public access. Many of these parcels of land have no practical use other than for parks, reserves and cemeteries. Community Land cannot be sold, cannot be leased or licensed for more than 21 years at a time and must have a plan of management for it.

The most recent valuation was performed for 30 June 2012, when the Valuer General issued Unimproved Capital Values (UCV) for properties with a base date of 1 July 2011. Where the Valuer has not provided a land value, estimated Unimproved Capital Values are provided by APV Valuers and Asset Management or a unit rate per square metre is applied at the same rate as a similar community land parcel within close proximity.

The key unobservable input to the valuation is the rate per square metre. Influencing elements in determining rate per square metre include market movements, location, size, shape, access, topography, exposure to traffic and facilities, condition (Impairment), use / zoning and flooding risk levels.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable.

Valuation techniques remained the same for this reporting period.

Land under Roads

Land under Roads is land under roadways, and road reserves, including land under footpaths, nature strips and median strips, as per AASB1051.

Land under Roads was recognised for the first time at 30 June 2011. Council elected to recognise Land under Roads acquired pre 1 July 2008 and post 30 June 2008 as per ASSB 116 - Property, Plant and Equipment. Fair Value for Land under Roads was determined using the Englobo methodology derived from the Local Government Code of Accounting Practice and Financial Reporting. This method applies the total shires road reserve in square metres to the average shires rate calculated from the latest Valuers General Unimproved Capital Values (UCV), with a 90% discount.

This asset class is categorised as Level 3 as inputs used in the valuation require significant professional judgement and are therefore unobservable.

Valuation techniques remained the same for this reporting period.

Buildings – Non Specialised & Specialised

Buildings are owned or controlled Non Specialised and Specialised buildings. They are componentised into Floor, Building Envelope, Floor Fit-out, Internal Screens Fit-out, Roof, Mechanical Services, Fire Services and Transportation and Security Services. Building use is extremely varied and includes civic centre administration, depot, community and cultural services such as museums, art galleries, libraries, childcare and aged care, sport and recreation clubhouse amenities and Public Amenities.

Valuation indexation indices are applied on an annual basis only where the percentage indexation results in a material change. A comprehensive revaluation is completed every five years, the most recent one being performed for 30 June 2013 by a registered valuation company.

Where there is an active and liquid market, Fair Value is Market Value being highest and best use. When there is no active and liquid market, assessment is made as to whether there is alternative market evidence; Such as sales of dissimilar but comparable buildings or if the value is driven by its cash generation, a

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

Discounted Cash Flow (DCF) approach is used to determine its fair value. Where there is no observable market evidence, Fair Value is then determined by the cost to acquire it (Depreciated Current Replacement Cost) rather than what you could sell it for (Market Value).

This asset class is categorised as Level 3 with the key unobservable input to the valuation being the Gross Replacement Cost which is influenced by changes in construction costs. Other unobservable inputs are condition changes to any of the buildings components and hence patterns of consumption, remaining useful life and residual values. Professional judgement is required to establish the value of a building which is intrinsically linked to the value of the associated land as combined they represent fair value of the entire parcel.

The depreciation method used for this asset class is consumption based straight line.

Valuation techniques remained the same for this reporting period.

Roads

This asset class comprises the Road Carriageway, Car Parks, Kerb and Gutter, Retaining Walls and Traffic Facilities. The road carriageway consists of the trafficable portion of a road, between but not including the kerb and gutter. The road carriageway is componentised into surface, pavement, pavement sub base and formation and further separated into segments for inspection and valuation.

A valuation of Road assets is undertaken on a five year cycle with values indexed every other year as per the Road and Bridge Construction Cost Indexes - New South Wales issued by IPWEA (Institute of Public Works Engineering Australia). The most recent valuation was undertaken in this reporting period, 2014/15.

The valuation process commences with a condition assessment of each asset. A condition scale of 1 to 5 is assigned to each asset, with 1 representing excellent condition and 5 representing very poor condition. The condition of Tweed Shire Council's road segment asset stock is determined by visual inspection in a revaluation year, with the latest condition assessment undertaken late in 2014/2015.

Valuations for this asset class were assessed and provided by a registered valuation company. Technical information for the valuation was extracted from Council's asset management system.

Assets were valued using the cost approach. The unit rates are then applied to square or lineal meters as applicable to establish replacement cost at component level. The value of each component is summed to arrive at an overall fair value for an individual asset.

This asset class is categorised Level 3 as extensive professional judgment was required in applying unobservable inputs including the pattern of consumption, residual value and remaining service potential. These inputs impacted significantly on the determination of fair value.

The depreciation method used for this asset class is condition based straight-line.

Valuation techniques remained the same for this reporting period.

Bridges

Council's Bridge asset register consists of all pedestrian and vehicle access bridges. Bridge assets are componentised into significant parts with different useful lives and patterns of consumption, including the Sub Structure (abutments and foundations), Super Structure, Rails and Surface (where applicable).

A valuation of Bridge assets is undertaken on a five year cycle with values indexed every other year as per the Road and Bridge Construction Cost Indexes - New South Wales issued by IPWEA (Institute of Public Works Engineering Australia). The most recent valuation was undertaken in this reporting period, 2014/15.

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

The valuation process commences with a condition assessment of each asset. Bridges were physically inspected to determine condition. A condition scale of 1 to 5 is assigned to each asset, with 1 representing excellent condition and 5 representing very poor condition. The data collected is used to calculate the remaining service potential of each asset with the latest condition assessment undertaken late in 2014/2015.

Valuations for this asset class were assessed and provided by a registered valuation company. Technical information for the valuation was extracted from Council's asset management system.

Assets were valued using the cost approach. The unit rates are then applied to square or lineal meters as applicable to establish replacement cost at component level. The value of each component is summed to arrive at an overall fair value for an individual asset.

This asset class is categorised Level 3 as extensive professional judgment was required in applying unobservable inputs including the pattern of consumption, useful life, residual value and remaining life. These inputs impacted significantly on the determination of fair value.

The depreciation method used for this asset class is condition based straight-line.

Valuation techniques remained the same for this reporting period.

Footpaths

This asset class consists of footpaths on road reserves and cycle-ways on Council owned and controlled reserves. Footpaths are segmented to match the adjacent road segment. No further componentisation is undertaken.

A valuation of Footpath assets is undertaken on a five year cycle with values indexed every other year as per the Road and Bridge Construction Cost Indexes - New South Wales issued by IPWEA (Institute of Public Works Engineering Australia). The most recent valuation was undertaken in this reporting period, 2014/15.

A condition assessment was undertaken by an external provider in 2015 to determine footpath condition ratings. A condition scale of 1 to 5 is assigned to each asset, with 1 representing excellent condition and 5 representing very poor condition. Footpath unit rates were developed by a registered valuation company. Assets were valued using the cost approach.

This asset class is categorised Level 3 as extensive professional judgement based on historical information and experience was applied in determining residual values and remaining useful life. The depreciation method used for this asset class is condition based straight-line.

Valuation techniques remained the same for this reporting period.

Drainage Infrastructure

This asset class consists of pits, pipes, open channels, culverts and headwalls. Pipes are segmented from node to node. No further componentisation is undertaken.

A valuation of Drainage assets is undertaken on a five year cycle with values indexed every other year as per the Road and Bridge Construction Cost Indexes - New South Wales issued by IPWEA (Institute of Public Works Engineering Australia). The most recent valuation was undertaken in this reporting period, 2014/15.

Fair Values were calculated by a registered valuation company. Assets were valued using the cost approach.

This asset class is categorised Level 3 as extensive professional judgment was required in applying unobservable inputs including the pattern of consumption, useful life, residual value and remaining life. Asset conditions are assumed based on the age of the pipe with some sample testing via CCTV inspections. A

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

condition scale of 1 to 5 is assigned to each asset, with 1 representing excellent condition and 5 representing very poor condition. The depreciation method used for this asset class is condition based straight-line.

Valuation techniques remained the same for this reporting period.

Water Supply Network

Assets within this class comprise dams, weirs, reservoirs, water treatment plant, water pumping stations and water pipelines.

This asset class is classified as being valued using Level 3 inputs.

The water supply network, excluding water pipelines, was valued by APV Valuers & Asset Management for 30 June 2012. The Gross Current Replacement Value had been assessed on the basis of replacement with a new asset having similar service potential and includes allowances for installation and professional fees. The Gross Current Replacement Value costings were derived from reference to costing guides issued by the Australian Institute of Quantity Surveyors, NSW Reference Rates Manual, Rawlinson's (Australian Construction Handbook), Tweed Shire Council and APV internal database of costs. The Fair Value is the Gross Current Replacement Value less accumulated depreciation calculated to reflect the consumed or expired service potential of the asset. The depreciation of the assets was carried out by conducting a condition assessment of each asset at component level. Components have varying useful lives and consumption patterns.

The water pipeline assets were last comprehensively revalued as at 30 June 2012. The unit rates were developed in-house using a recognised estimating software package Benchmark Estimator. This uses the Cost Approach, values were taken from contract price list, and actual internal costs. The first principles of engineering was applied for the estimation of unit rates. Unit rates for some pipe sizes were provided by APV. Depreciation is calculated using the straight line, aged based method, with varying useful lives for different material types and purpose.

These assets are indexed annually using the rate as determined by NSW Office of Water.

This asset class is classified as being valued using Level 3 inputs. There has been no change to the valuation process during the reporting period.

Sewerage Network

Assets within this class comprise sewer treatment plants, sewer pumping stations, sewer pipelines

This asset class is classified as being valued using Level 3 inputs.

The sewerage network, excluding water pipelines, was valued by APV Valuers & Asset Management for 30 June 2012. The Gross Current Replacement Value had been assessed on the basis of replacement with a new asset having similar service potential and includes allowances for installation and professional fees. The Gross Current Replacement Value costings were derived from reference to costing guides issued by the Australian Institute of Quantity Surveyors, NSW Reference Rates Manual, Rawlinson's (Australian Construction Handbook), Tweed Shire Council and APV internal database of costs. The Fair Value is the Gross Current Replacement Value less accumulated depreciation calculated to reflect the consumed or expired service potential of the asset. The depreciation of the assets was carried out by conducting a condition assessment of each asset at component level. Components have varying useful lives and consumption patterns.

Tweed Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

The sewer pipeline assets were last comprehensively revalued as at 30 June 2012. The unit rates were developed in-house using a recognised estimating software package Benchmark Estimator. This uses the Cost Approach, values were taken from contract price list, and actual internal costs. The first principles of engineering was applied for the estimation of unit rates. Unit rates for some pipe sizes were provided by APV. Depreciation is calculated using the straight line, aged based method, with varying useful lives for different material types and purpose.

These assets are indexed annually using the rate as determined by NSW Office of Water.

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

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

\$ '000

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

a. The following tables present the changes in Level 3 Fair Value Asset Classes. (continued)

	Operational Land	Community Land	Land Under Roads	Buildings Non- Specialised	Buildings Specialised	Roads	Bridges	Footpaths	Total
Adoption of AASB 13	442,403	157,834	43,231	105,785	6,555	735,087	-	-	1,490,895
Transfers from/(to) another asset class	-	-	-	-	-	(171,156)	146,844	24,312	-
Purchases (GBV)	866	-	736	6,715	90	20,060	3,286	1,801	33,554
Disposals (WDV)	(1,034)	-	-	(689)	(348)	(1,508)	(107)	(10)	(3,696)
Depreciation & Impairment	-	-	-	(1,649)	(39)	(14,913)	(2,094)	(509)	(19,204)
FV Gains - Other Comprehensive Income	-	25	-	615	-	26,318	6,402	1,233	34,593
Other movement	(80)	-	-	(239)	-	-	-	-	(319)
Other movement	720	2,642	-	5,415	-	-	812	-	9,589
Closing Balance - 30/6/14	442,875	160,501	43,967	115,953	6,258	593,888	155,143	26,827	1,545,412
Transfers from/(to) another asset class	125	(125)	-	642	-	-	509	(509)	642
Purchases (GBV)	10,050	629	138	11,687	90	13,466	1,215	1,608	38,883
Disposals (WDV)	(1,310)	-	-	(275)	-	(1,436)	(248)	(205)	(3,474)
Depreciation & Impairment	-	-	-	(1,498)	(33)	(15,645)	(2,155)	(560)	(19,891)
FV Gains - Other Comprehensive Income	4,128	89	-	(201)	-	57,549	756	(1,249)	61,072
Other movement	(1)	-	-	232	-	4,204	2,154	4,794	11,383
Closing Balance - 30/6/15	455,867	161,094	44,105	126,540	6,315	652,026	157,374	30,706	1,634,027

Tweed Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

\$ '000

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

a. The following tables present the changes in Level 3 Fair Value Asset Classes. (continued)

	Stormwater Drainage	Water Supply Network	Sewerage Network	Total
Adoption of AASB 13	132,758	432,238	534,254	1,099,250
Purchases (GBV)	4,494	16,698	8,269	29,461
Disposals (WDV)	(27)	(805)	(613)	(1,445)
Depreciation & Impairment	(2,631)	(6,890)	(9,982)	(19,503)
FV Gains - Other Comprehensive Income	6,223	12,345	14,894	33,462
Closing Balance - 30/6/14	140,817	453,586	546,822	1,141,225
Purchases (GBV)	4,182	2,419	7,071	13,672
Disposals (WDV)	(35)	(47)	(1,861)	(1,943)
Depreciation & Impairment	(2,791)	(7,097)	(10,326)	(20,214)
FV Gains - Other Comprehensive Income	6,915	6,727	8,126	21,768
Other movement	1,088	-	-	1,088
Closing Balance - 30/6/15	150,176	455,588	549,832	1,155,596

(5). Highest and best use

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

Tweed Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 28. Council Information & Contact Details

Principal Place of Business:

Civic & Cultural Centre Tumbulgum Road
Murwillumbah NSW 2484

Contact Details

Mailing Address:

PO Box 816
Murwillumbah NSW 2484

Opening Hours:

8.30 am - 4.15 pm Monday to Friday
Closed Public Holidays

Telephone: 1300 292 872

Facsimile: 02 6670 2149

Internet: www.tweed.nsw.gov.au

Email: tsc@council.nsw.gov.au

Officers

GENERAL MANAGER

Troy Green

RESPONSIBLE ACCOUNTING OFFICER

Michael Chorlton

PUBLIC OFFICER

Neil Baldwin

AUDITORS

Thomas Noble & Russell
Chartered Accountants
31 Keen Street
Lismore NSW 2480

Elected Members

MAYOR

Katie Milne

COUNCILLORS

Gary Bagnall
Barry Longland
Carolyn Byrne
Warren Polglase
Phil Youngblutt

Other Information

ABN: 90 178 732 496



**TWEED SHIRE COUNCIL
GENERAL PURPOSE FINANCIAL STATEMENTS
INDEPENDENT AUDITOR'S REPORT**

Report on the Financial Statements

We have audited the accompanying financial statements of Tweed Shire Council (the Council), which comprises the statement of financial position as at 30 June 2015, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by Councillors and Management.

Council's 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 and the *Local Government Act 1993* and for such internal control as the Council determines is necessary to enable the preparation and fair presentation of financial statements that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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 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.

Our audit responsibility does not extend to the original budget information included in the income statement, statement of cash flows, note 2(a), Note 16 budget variation explanations and Note 17 forecast information, and accordingly, we do not express an opinion on such. In addition, our audit did not include an analysis of the prudence of business decisions made by Council or management.

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 have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion:

- a) The Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2;
- b) the financial statements:
 - i. Have been presented in accordance with the requirements of this Division;
 - ii. Are consistent with the Council's accounting records;
 - iii. Present fairly, in all material respects, the Council's financial position as at 30 June 2015, and of its performance and its cash flows for the year then ended; and
 - iv. Are in accordance with applicable Accounting Standards;
- c) All information relevant to the conduct of the audit has been obtained; and
- d) There are no material deficiencies in the accounting records or financial statements that have come to light during the course of the audit.

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This auditor's report relates to the general purpose financial statements of Tweed Shire Council for the year ended 30 June 2015 published in the annual report and included on Council's website. The Council is responsible for the integrity of the website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the financial statements identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial statements. If users of the financial statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements to confirm the information contained in this website version of the financial statements.

THOMAS NOBLE & RUSSELL CHARTERED ACCOUNTANTS


.....
A J BRADFIELD (Partner)
Registered Company Auditor

Dated at Lismore this 29th day of October 2015.

Tweed Shire Council

Report to Council under s417 of the Local Government Act 1993

30 June 2015



TWEED

SHIRE COUNCIL

BRW.
CLIENT
CHOICE
AWARDS
2013
Australia's best professional service firms
WINNER

BRW.
CLIENT
CHOICE
AWARDS
2014
Australia's best professional service firms
WINNER



Thomas
Noble &
Russell

Accountants | Auditors | Business Advisers

CONTENTS

1.	THE AUDITOR'S ROLE & RESPONSIBILITY	2
2.	INCOME STATEMENT	3
2.1	Consolidated Operating Result	3
2.2	Operating Result by Fund	5
2.3	Capital Grants & Contributions – All Funds.....	6
3.	STATEMENT OF FINANCIAL POSITION	8
3.1	Current Assets	8
3.1.1	Cash & Investments	8
3.2	Non-Current Assets	9
3.2.1	Infrastructure, Property, Plant and Equipment (I,P,P&E).....	9
3.2.2	Asset Management Performance Indicators	11
3.2	Liabilities	13
3.2.1	Loans Liability	13
4.	OTHER MATTERS	14
4.1	Internal Control Environment	14
4.2	Audit of Asset Management Information	14
4.3	Council's Fit for the Future Assessment	14

We are pleased to advise that we have completed the audit of Council's financial statements for the year ended 30 June 2015, in accordance with Section 415 of the Local Government Act 1993. The financial statements that have been subject to independent audit are the:

- General purpose financial report; and
- Special purpose financial report.

1. THE AUDITOR'S ROLE & RESPONSIBILITY

Council's annual financial audit engagement has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements comply with Australian Accounting Standards as well as other statutory requirements and are free of material misstatement.

Our audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our professional judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Council's preparation and fair presentation of the financial reports 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 organisation's internal control. Our 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.

Our independent auditor's report is attached to each financial report.

This report should be read in conjunction with our audit opinion on the general purpose financial statements provided under Section 417(2) of the *Local Government Act 1993*.

Reporting on the Conduct of the Audit

Section 417 (3) of the *Local Government Act 1993* requires us to consider and provide comment on the material items affecting the general purpose and other matters pertinent to the audit. These observations are set out below.

2. INCOME STATEMENT

2.1 Consolidated Operating Result

Council's consolidated surplus from all activities for 2015 was \$42,686,000. This compares to a surplus in 2014 of \$24,194,000. This result can be summarised as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Revenues from continuing operations	169,249	158,296	155,797
Expenses from continuing operations	(121,446)	(131,898)	(122,762)
Result from continuing operations before depreciation	47,803	26,398	33,035
Less: depreciation expense	(45,043)	(43,678)	(40,078)
Operating profit/(deficit) after depreciation & before capital revenue and other significant items	2,760	(17,280)	(7,043)
<i>Significant items impacting the operating result</i>			
Fair value gains and losses on investments	125	433	612
Gain/(Loss) on disposal of assets	(5,681)	(4,588)	(6,651)
Operating result before capital revenue	(2,796)	(21,435)	(13,082)
Capital grants and contributions	45,482	45,629	25,214
Surplus from all activities	42,686	24,194	12,132

Operating Profit After Depreciation & Before Capital Revenue and Other Significant Items

The consolidated surplus after depreciation & before capital revenue and other significant items has improved from a deficit of \$17,280,000 for the 2014 year to a surplus of \$2,760,000 in the 2015 financial year. Significant changes in this result include:

Account	2015 Increase / (Decrease) \$'000	Reason for Increase / Decrease
Revenue		
Ordinary Rates	2,095	Ordinary rates have increased due to a rate pegged increment of 2.3%.
Annual Charges	3,035	<p>Sewerage annual service charges have increased by \$1,697,000 due to an incremental increase in charges per assessment from \$691 in 2013/14 to \$732 in 2014/15.</p> <p>There were also incremental increases to Water Supply, Domestic Waste and Waste Management Services in line with Council's pricing strategy. The Waste Levy reduced by \$462,000 due to changes in the way Council disposes of waste and the related liability for the waste levy is minimised.</p>
User Charges	(3,053)	The reduction in user charges has largely arisen from timing differences due to changes to Council's water billing cycle from six-monthly to quarterly.
Other Revenues	1,588	Increase largely due to insurance claim recoveries in the current year totalling \$890,000.
General Purpose Operating Grants	4,853	Increase inflated by advance payment of part of the 2013/14 Financial Assistance Grant in 2012/13, then an adjusted, reduced grant subsidy in 2013/14. Quarterly grant payments returned to the historical normal timing of February, May, August and November in 2014/15.

Account	2015 Increase / (Decrease) \$'000	Reason for Increase / Decrease
Expenses		
Employee Benefits & On-Costs	3,340	Increase in salary and wages of \$928,000 largely due to award increases. Increase in employee leave entitlements of \$1,773,000 largely arising from long service leave net present value calculations at year end.
Materials and Contracts	(12,331)	Expenses for the Affordable Housing Scheme and non-capital construction costs for the Kirkwood Road Interchange occurred in 2013/14 with no significant projects in the current year.
Other Expenses	(1,229)	The decrease in other expenses was driven by Council being able to reduce electricity and heating costs by \$899,000 from securing contracts with energy suppliers at more favourable rates.

2.2 Operating Result by Fund

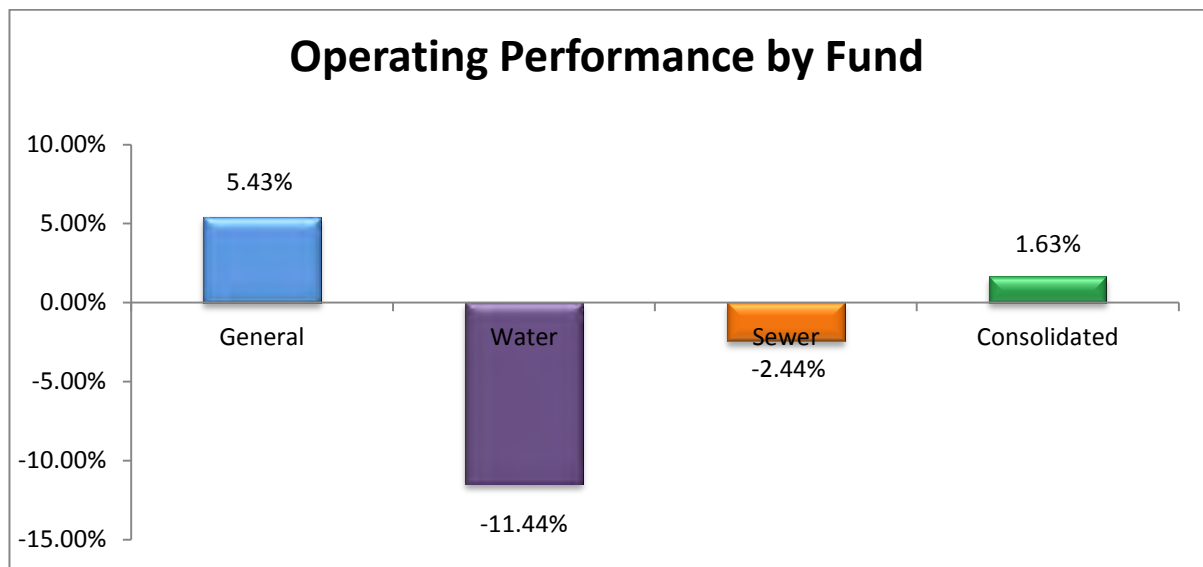
The consolidated operating result comprises the income and expenses of general, water and sewer funds. Note 21 to the financial statements provides the results of each fund on a gross basis.

2015	General \$'000	Water \$'000	Sewer \$'000
Revenues from continuing operations	115,056	23,880	30,438
Expenses from continuing operations	(82,776)	(18,786)	(19,884)
Result from continuing operations before depreciation	32,280	5,094	10,554
Less: depreciation expense	(27,462)	(7,145)	(10,436)
Operating surplus/(deficit) after depreciation & before capital revenue and other significant items	4,818	(2,051)	118
<i>Significant items impacting the operating result</i>			
Gain/(Loss) on disposal of assets	(3,498)	(322)	(1,861)
Operating result before capital revenue	1,320	(2,373)	(1,743)
Capital grants and contributions	34,431	5,835	5,216
Surplus/(Deficit) from all activities	35,751	3,462	3,473

Benchmarking Operating Performance

The Office of Local Government has introduced a ratio that measures a Council's achievement of containing operating expenditure within operating revenue (achieving a surplus after depreciation but before capital revenue).

It is important to distinguish that this ratio is focusing on operating performance and hence capital grants and contributions, fair value adjustments, gain/(loss) on sale of assets and reversal of revaluation decrements are excluded. The benchmark for this ratio is greater than 0%, that is, Council should not be recording recurring operating deficits but should contain operating expenditure within operating revenue.



The table above indicates that Council's General Fund has an operating surplus after depreciation.

Council is generating sufficient revenue and controlling its expenditure to fund annual depreciation expense. Council will need to review its Long Term Financial plan results in accordance with the Fit for the Future reforms.

2.3 Capital Grants & Contributions – All Funds

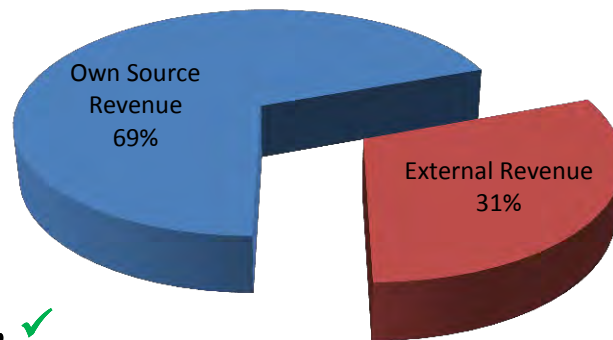
The table below provides an understanding of the nature and quantum of capital grants and contributions received :

	2015 \$'000	2014 \$'000	2013 \$'000
Section 64 contributions - In kind	4,588	8,211	2,133
Section 94 contributions - cash	5,544	7,185	3,061
Section 64 contributions - cash	6,424	7,627	2,249
Other contributions	12,735	7,874	6,732
Non-cash developer infrastructure dedications	8,880	6,032	6,061
Specific purpose capital grants	7,311	8,700	4,978
	45,482	45,629	25,214

Capital grants and contributions received during the year amounted to \$45,482,000, including \$38,171,000 in contributions. Council receives capital grants and contributions from various sources each financial year to renew existing assets as well as construct new assets. Capital contributions include developer contributions as well as dedications received by Council on the finalisation of a development.

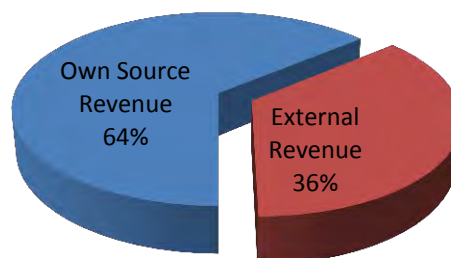
Local Government performance benchmarking now analyses the ability of Council to generate its own revenue sources rather than over-reliance on grants and contributions (capital and operating) received from external sources. The NSW Office of Local Government stipulates a benchmark of greater than 60% is recommended. The graph below illustrates that Council sources 69% of its consolidated revenue from rates, annual charges, user charges, interest etc. which exceeds industry benchmarks.

2015 Revenue Sources (Consolidated)



Benchmark = 60% ✓

2015 Revenue Sources (General Fund)



Benchmark = 60% ✓

This ratio can be subject to significant fluctuations, depending on the level of development, that is revenues from Section 94 and Section 64 developer contributions, as well as the level of general user fees and charges raised.

3. STATEMENT OF FINANCIAL POSITION

Council's Statement of Financial Position (Balance Sheet) is summarised below:

	2015 \$'000	2014 \$'000	2013 \$'000
Assets			
Current Assets	154,480	122,254	139,375
Non-Current Assets	2,965,618	2,867,008	2,742,441
Total Assets	3,120,098	2,989,262	2,881,816
Liabilities			
Current Liabilities	40,398	37,897	37,727
Non-Current Liabilities	183,253	184,318	187,992
Total Liabilities	223,651	222,215	225,719
Equity	2,896,447	2,767,047	2,656,097

We provide commentary on some of the material assets and liabilities appearing on Council's statement of financial position as at 30 June 2015 together with related Office of Local Government benchmark data.

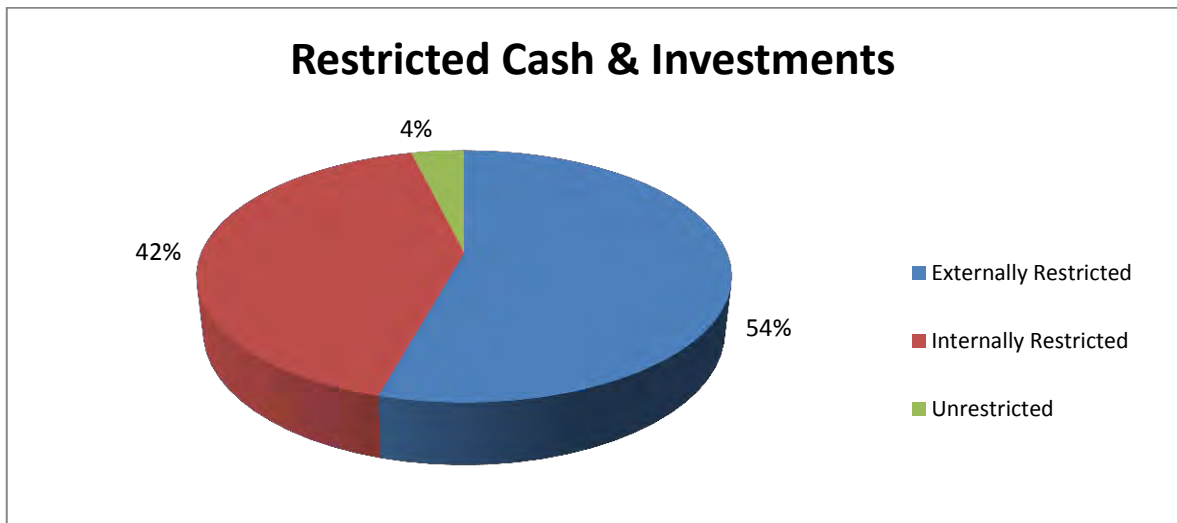
3.1 Current Assets

3.1.1 Cash & Investments

Included in Council's net current assets are cash and investments which are restricted in their use as follows:

	2015 \$'000	2014 \$'000	2013 \$'000
Externally Restricted <i>Monies can only be spent in accordance with legislation, grant agreement or developer contribution plan specifications</i>	73,563	47,220	64,004
Internally Restricted <i>Money set aside for special projects via Council resolution</i>	56,667	42,181	47,503
Unrestricted <i>Funds forming part of working capital used for day-to-day Council operations</i>	5,185	5,570	3,483
Total Cash & Investments	135,415	94,971	114,990

Council is managing its investment portfolio in accordance with the Minister's Investment Order which is applicable to all local government authorities.



3.2 Non-Current Assets

3.2.1 Infrastructure, Property, Plant and Equipment (I,P,P&E)

The largest asset or liability appearing on Council's statement of financial position is in relation to I,P,P&E.

Note 9 to the general purpose financial statements provides an understanding of Council's I,P,P&E and illustrates that Council is responsible for maintaining and improving assets with a written down value of approximately \$2.8 billion.

The following table illustrates the impact of annual depreciation across various asset classes during the year:

2015	Cost to Replace \$'000	WDV \$'000	DEP'N EXP \$'000	WDV as a % of Cost	DEP'N EXP as a % of Cost
Plant & Equipment	40,766	22,280	3,000	55%	7%
Land	661,066	661,066	-	100%	
Buildings	149,699	132,855	1,531	89%	1%
Other Assets	51,337	37,212	1,600	72%	3%
Artworks	4,947	4,947	-	100%	
Tip & Quarry	863	62	15	7%	2%
Roads, Bridges & Footpaths	881,737	691,353	18,360	78%	2%
Bulk Earthworks	148,753	148,753	-	100%	
Stormwater Drainage	221,616	150,176	2,791	68%	1%
Water Supply Network	620,979	455,588	7,097	73%	1%
Sewerage Network	762,147	549,832	10,326	72%	1%
Capital Work in Progress	11,494	11,494	-	100%	
	3,555,404	2,865,618	44,720		

Council Constructed / Purchased Additions

Each year Council budgets to renew or capitalise new assets. An illustration of I,P,P&E capitalised over the past two years is provided below:

	2015 \$'000	2014 \$'000
<i>Infrastructure Dedications</i>		
Developer Infrastructure Dedications	25,122	18,987
<i>Council Constructed / Purchased Assets</i>		
Work in Progress	11,025	9,800
Land and Buildings	7,097	6,755
Plant and Equipment	4,053	4,533
Roads and Drainage	10,266	13,323
Water and Sewer Network	3,165	10,235
Other Structures & Assets	3,342	2,074
	<u>38,948</u>	<u>46,720</u>
	<u>64,070</u>	<u>65,707</u>

	2015 \$'000	2014 \$'000	2013 \$'000
<i>Consisting of:</i>			
Asset Renewals - Buildings & Infrastructure	16,511	29,835	12,185
Dedicated Assets	25,122	18,524	8,321
New Assets	22,437	17,348	36,340
	<u>64,070</u>	<u>65,707</u>	<u>56,846</u>

Asset Revaluations 2015

The NSW Office of Local Government has mandated that all infrastructure assets including land and buildings are to be recognised in Council's financial records at their fair value. During the year, Council comprehensively revalued transport, drainage and open space/recreation assets with the assistance of independent experts. In addition, other asset classes were indexed where considered material by Council. The resulting increase to the asset revaluation reserve for the year was \$86,714,000.

Council also recorded a \$19,020,000 prior period error during the year in relation to assets controlled by Council which had not previously been recognised in Council records. We note that Council has had prior period errors in relation to its assets information for at least the last two years and we recommend Council continue to invest in sufficient asset management practices to ensure all relevant asset information is captured within Council records.

3.2.2 Asset Management Performance Indicators

The Office of Local Government has introduced some ratios designed to measure the effectiveness of asset management activities. These ratios are not subject to audit.

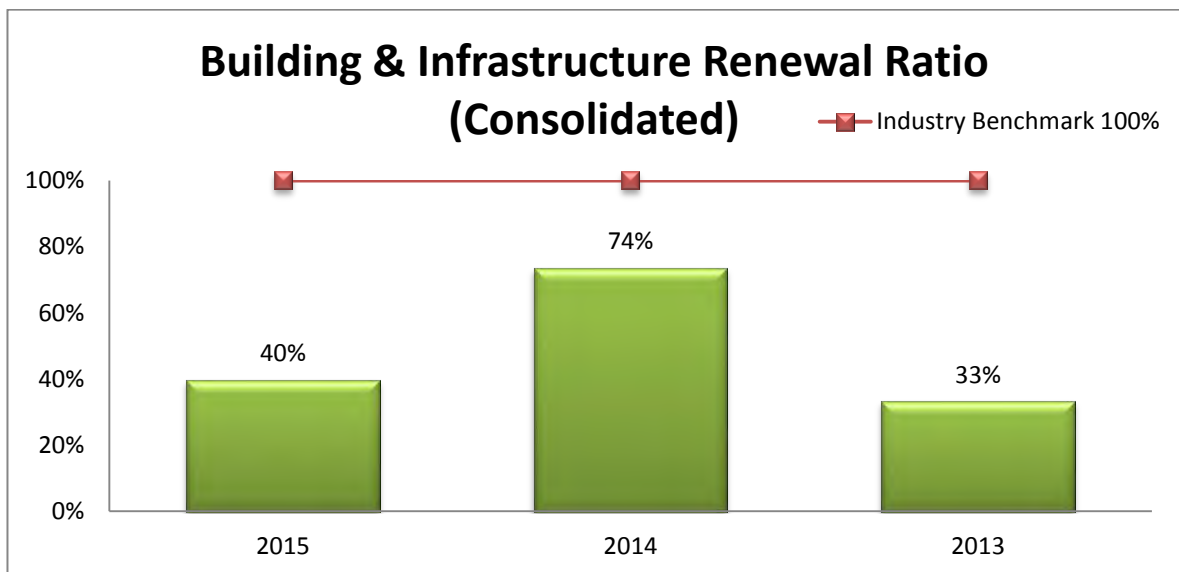
Buildings & Infrastructure Renewals Ratio

Assessing the rate at which buildings and infrastructure assets are being renewed against the rate at which they are depreciating (being consumed) is measured using the buildings and infrastructure renewals ratio.

The ratio is calculated based on replacement of existing assets with assets of equivalent capacity or performance as opposed to the acquisition of new assets or adding capacity to existing assets. Expenditure incurred to add capacity to existing assets is excluded from this ratio. Industry benchmarking recommends that asset renewals equate to the related depreciation expense or be in the range of 90-100%.

On a consolidated basis, Council is not renewing assets at the rate they are depreciating and therefore not satisfying the asset renewal industry benchmarks.

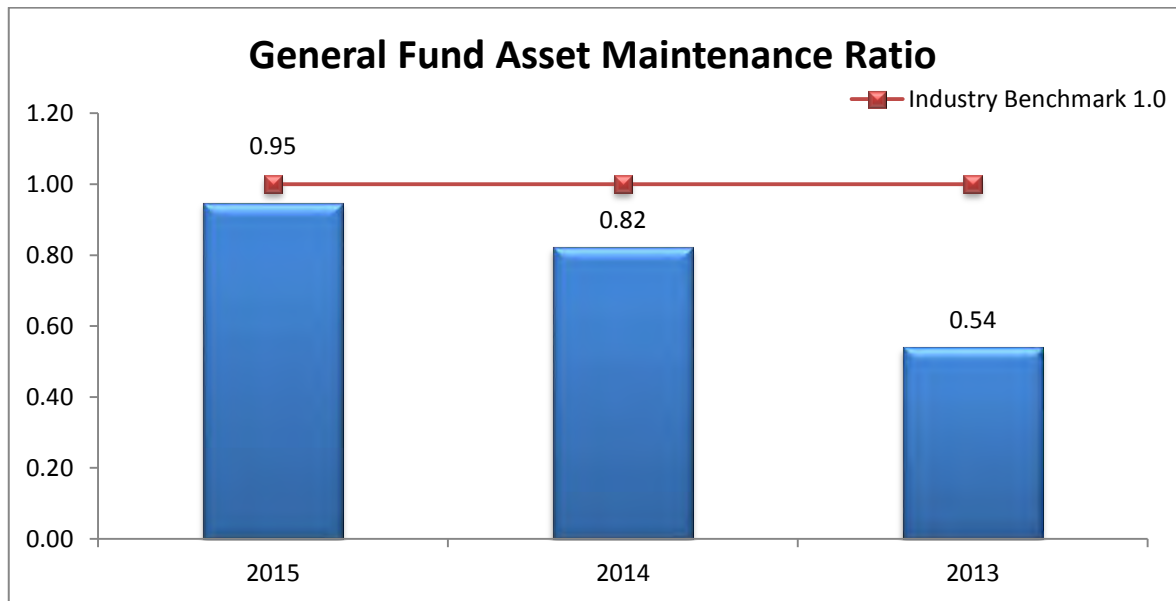
	Renewals Expenditure \$'000	Depreciation Expense \$'000	Renewals Shortfall \$'000	Asset Renewals Ratio ¹ %
General Fund	15,405	24,206	8,801	64%
Sewer Fund	629	10,365	9,736	6%
Water Fund	477	7,134	6,657	7%
Total	16,511	41,705	25,194	40%



Asset Maintenance Ratio

This ratio compares actual versus required annual asset maintenance.

A ratio of above 1.0 indicates that the Council is investing enough funds within the year to stop the Infrastructure Backlog from growing. This ratio is highly dependent on accurate and consistent required maintenance and quantified infrastructure backlog calculations.



Currently Council is not spending sufficient funds on asset maintenance to ensure their condition does not deteriorate below a satisfactory level, however we note the ratio is close to the benchmark level of the OLG.

Creating financial capacity to fund asset maintenance, renewals and new capital projects is one of the most difficult issues facing the Local Government industry in Australia. The ability to satisfy the industry parameters for asset renewals is a key goal for any local government authority which will only be achieved by:

- having asset management and financial systems that accurately identify and record renewals expenditure throughout each year,
- ensuring that the depreciation expense disclosed in the financial report reflects the actual consumption of each asset,
- ensuring policies and procedures are updated so that Council personnel have sound guidance on capital v maintenance and renewals v new capital works,
- accurately recording renewals expenditure where projects include replacing an existing asset with greater capacity, and
- constantly reviewing Council's operations so that the maximum available resources can be directed toward asset renewal.

3.2 Liabilities

Council's Statement of Financial Position contains material liabilities such as trade & other payables, employee benefits and loans. There have not been any material movements or other matters warranting discussion on trade & other payables or employee benefits.

Council's loan liability represents 82% of total liabilities at 30 June 2015. We provide discussion on this balance below.

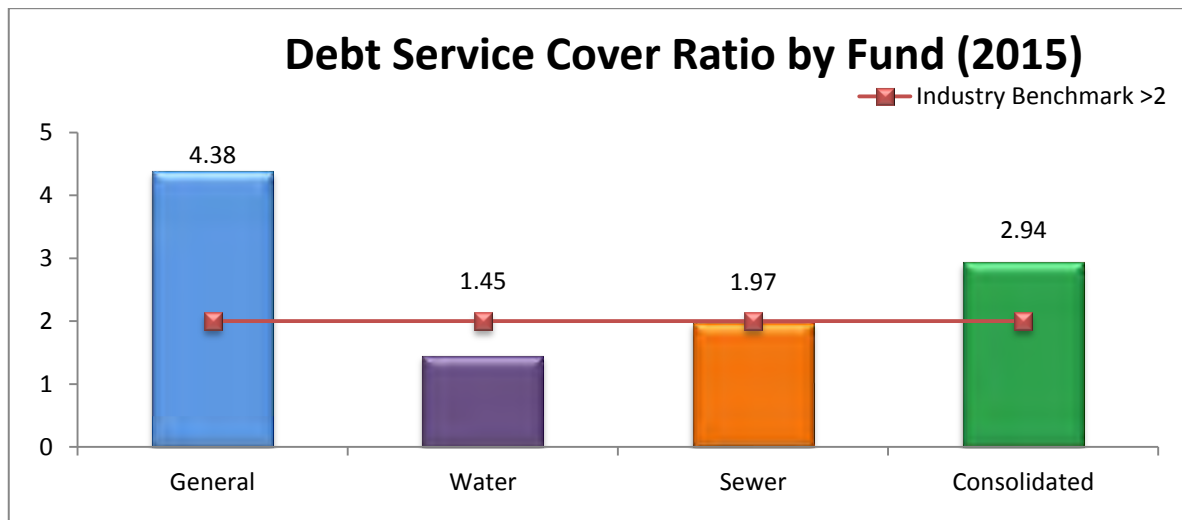
3.2.1 Loans Liability

	2015 \$'000	2014 \$'000	2013 \$'000
Current Loan Liability	7,221	7,251	7,653
Non-Current Loan Liability	177,072	178,247	181,458
Total Loan Liability	184,293	185,498	189,111
By Fund			
General Fund	85,604	83,176	83,298
Water Fund	64,803	65,989	67,057
Sewer Fund	33,886	36,333	38,756
Total Loan Liability	184,293	185,498	189,111

Total borrowings have remained relatively static when compared to 2014. In 2015 Council borrowed an additional \$6,046,000 however repaid \$7,853,000. The Office of Local Government has developed the following benchmark relating to borrowings:

Debt Service Cover Ratio

This ratio measures the availability of operating cash to service debt, including interest, principal and lease payments. The benchmark for this ratio is greater than 2.



The Council's consolidated Debt Service Cover ratio for 2015 is 2.94 (2014: 1.93) and the ratio for the general fund for 2015 is 4.38 (2014: 2.11).

A consolidated and general fund debt service cover ratio of these levels for a regional council such as Tweed Shire Council is acceptable under NSW Local Government performance measures.

4. OTHER MATTERS

4.1 Internal Control Environment

No significant breakdowns of internal control were encountered during the course of our audit nor did we become aware of the existence of items comprising material error, sufficient to cause us to issue a modified audit opinion. We will issue a separate report to Council which identifies internal control weaknesses and other audit observations in due course.

4.2 Audit of Asset Management Information

In 2016 Council's special schedule 7 will be subject to independent audit. Special schedule 7 contains asset management ratios, costs to bring assets to a satisfactory standard and information relating to actual and required maintenance expenditure levels. As this information has not been subject to independent review in prior years, it is important that Council:

- Review the information contained in special schedule 7 to ensure it is accurate;
- Have policies and procedures supporting the compilation of information that is included in special schedule 7 so that asset management ratios are calculated accurately;
- Aligns asset data collection to allow efficient compilation of the information contained in special schedule 7.

4.3 Council's Fit for the Future Assessment

The Independent Pricing and Regulatory Tribunal (IPART) released their report *Assessment of Councils Fit for the Future Proposals* on the 20th October 2015.

The report noted that Tweed Shire Council does not meet the relevant financial criteria used to assess Council's sustainability and has been assessed as not Fit for the Future. In its submission to IPART, Council had forecast that its performance in 2019-20 will be below the OLG recommended benchmarks for the operating performance ratio at -4.9% and the building and infrastructure asset renewal ratio at 52.2% and also forecasts a high and increasing infrastructure backlog of 8.9% and a below benchmark asset maintenance ratio of 71.3% in 2019-20.

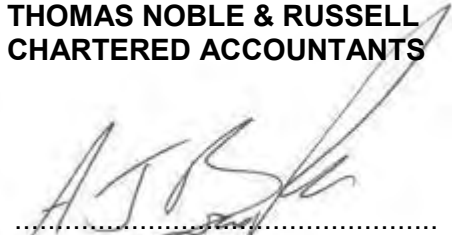
The New South Wales Government has announced that Councils have 30 days from the 20th October 2015 to respond to the IPART report findings.

At the date of this report it is unclear as to the outcome of the New South Wales Government's process. Accordingly, the financial statements have been prepared on a going concern basis.

Subject to the foregoing comments the books of account and records of the Council were maintained in good order and condition and the information and explanations required during the course of our work were readily supplied by the General Manager and his staff.

Yours faithfully

**THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS**

A handwritten signature in black ink, appearing to read 'A J Bradfield', is written over a horizontal dotted line. The signature is fluid and cursive.

A J BRADFIELD (Partner)
Registered Company Auditor



Tweed Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2015

"TOGETHER FORWARD"



TWEED
SHIRE COUNCIL

Tweed Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2015

Contents	Page
1. Statement by Councillors & Management	2
2. Special Purpose Financial Statements:	
Income Statement - Water Supply Business Activity	3
Income Statement - Sewerage Business Activity	4
Income Statement - Other Business Activities	5
Statement of Financial Position - Water Supply Business Activity	6
Statement of Financial Position - Sewerage Business Activity	7
Statement of Financial Position - Other Business Activities	8
3. Notes to the Special Purpose Financial Statements	9
4. Auditor's Report	18

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).

Tweed Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2015

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 29 October 2015.



Katie Milne
MAYOR



Carolyn Byrne
COUNCILLOR



Troy Green
GENERAL MANAGER



Michael Chorlton
RESPONSIBLE ACCOUNTING OFFICER

Tweed Shire Council

Income Statement of Council's Water Supply Business Activity

for the financial year ended 30 June 2015

\$ '000	Actual 2015	Actual 2014
Income from continuing operations		
Access charges	4,781	4,485
User charges	17,249	19,487
Fees	-	-
Interest	1,074	1,262
Grants and contributions provided for non capital purposes	378	377
Profit from the sale of assets	-	-
Other income	398	85
Total income from continuing operations	23,880	25,696
Expenses from continuing operations		
Employee benefits and on-costs	4,321	4,090
Borrowing costs	4,650	4,768
Materials and contracts	8,443	8,329
Depreciation and impairment	7,145	6,934
Water purchase charges	-	-
Loss on sale of assets	322	806
Calculated taxation equivalents	681	681
Debt guarantee fee (if applicable)	324	330
Other expenses	1,372	1,796
Total expenses from continuing operations	27,258	27,734
Surplus (deficit) from Continuing Operations before capital amounts	(3,378)	(2,038)
Grants and contributions provided for capital purposes	5,835	8,804
Surplus (deficit) from Continuing Operations after capital amounts	2,457	6,766
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	2,457	6,766
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
SURPLUS (DEFICIT) AFTER TAX	2,457	6,766
plus Opening Retained Profits	188,266	180,593
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	681	681
- Debt guarantee fees	324	330
- Corporate taxation equivalent	-	-
less:		
- Tax Equivalent Dividend paid	(104)	(104)
- Surplus dividend paid	-	-
Closing Retained Profits	191,624	188,266
Return on Capital %	0.3%	0.6%
Subsidy from Council	-	-
Calculation of dividend payable:		
Surplus (deficit) after tax	2,457	6,766
less: Capital grants and contributions (excluding developer contributions)	(1,616)	(3,742)
Surplus for dividend calculation purposes	841	3,024
Potential Dividend calculated from surplus	421	1,512

Tweed Shire Council

Income Statement of Council's Sewerage Business Activity

for the financial year ended 30 June 2015

\$ '000	Actual 2015	Actual 2014
Income from continuing operations		
Access charges	24,655	22,917
User charges	-	-
Liquid Trade Waste charges	2,521	2,207
Fees	519	599
Interest	2,202	1,995
Grants and contributions provided for non capital purposes	519	502
Profit from the sale of assets	-	-
Other income	22	75
Total income from continuing operations	30,438	28,295
Expenses from continuing operations		
Employee benefits and on-costs	7,079	6,189
Borrowing costs	2,978	3,160
Materials and contracts	7,508	7,194
Depreciation and impairment	10,436	10,102
Loss on sale of assets	1,861	613
Calculated taxation equivalents	861	861
Debt guarantee fee (if applicable)	169	182
Other expenses	2,319	2,632
Total expenses from continuing operations	33,211	30,933
Surplus (deficit) from Continuing Operations before capital amounts	(2,773)	(2,638)
Grants and contributions provided for capital purposes	5,216	9,657
Surplus (deficit) from Continuing Operations after capital amounts	2,443	7,019
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	2,443	7,019
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
SURPLUS (DEFICIT) AFTER TAX	2,443	7,019
plus Opening Retained Profits	228,666	220,703
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	861	861
- Debt guarantee fees	169	182
- Corporate taxation equivalent	-	-
less:		
- Tax Equivalent Dividend paid	(101)	(99)
- Surplus dividend paid	-	-
Closing Retained Profits	232,038	228,666
Return on Capital %	0.0%	0.1%
Subsidy from Council	-	-
Calculation of dividend payable:		
Surplus (deficit) after tax	2,443	7,019
less: Capital grants and contributions (excluding developer contributions)	(3,011)	(7,092)
Surplus for dividend calculation purposes	-	-
Potential Dividend calculated from surplus	-	-

Tweed Shire Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2015

\$ '000	Holiday Parks		Commercial Waste	
	Category 1		Category 1	
	Actual 2015	Actual 2014	Actual 2015	Actual 2014
Income from continuing operations				
Access charges	-	-	2,520	2,374
User charges	-	-	2,598	2,706
Fees	8,546	7,653	-	-
Interest	580	594	-	-
Grants and contributions provided for non capital purposes	-	-	-	-
Profit from the sale of assets	-	-	-	-
Other income	497	263	8	6
Total income from continuing operations	9,623	8,510	5,126	5,086
Expenses from continuing operations				
Employee benefits and on-costs	803	698	470	466
Borrowing costs	65	21	1	(12)
Materials and contracts	1,951	1,738	2,973	2,846
Depreciation and impairment	394	856	55	77
Loss on sale of assets	42	-	288	-
Calculated taxation equivalents	1,575	1,576	42	50
Debt guarantee fee (if applicable)	6	6	-	-
Other expenses	3,075	2,966	256	724
Total expenses from continuing operations	7,911	7,861	4,085	4,151
Surplus (deficit) from Continuing Operations before capital amounts	1,712	649	1,041	935
Grants and contributions provided for capital purposes	-	-	945	-
Surplus (deficit) from Continuing Operations after capital amounts	1,712	649	1,986	935
Surplus (deficit) from discontinued operations	-	-	-	-
Surplus (deficit) from ALL Operations before tax	1,712	649	1,986	935
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(514)	(195)	(312)	(281)
SURPLUS (DEFICIT) AFTER TAX	1,198	454	1,674	655
plus Opening Retained Profits	26,634	25,477	11,316	10,331
plus/less: Prior Period Adjustments	-	-	-	-
plus Adjustments for amounts unpaid:				
- Taxation equivalent payments	1,575	1,576	42	50
- Debt guarantee fees	6	6	-	-
- Corporate taxation equivalent	514	195	312	281
add:				
- Subsidy Paid/Contribution To Operations	-	-	-	-
less:				
- TER dividend paid	-	-	-	-
- Dividend paid	(867)	(1,074)	-	-
Closing Retained Profits	29,060	26,634	13,344	11,316
Return on Capital %	1.9%	0.7%	28.1%	23.0%
Subsidy from Council	1,064	2,597	-	-

Tweed Shire Council

Statement of Financial Position - Council's Water Supply Business Activity

as at 30 June 2015

\$ '000	Actual 2015	Actual 2014
ASSETS		
Current Assets		
Cash and cash equivalents	595	410
Investments	23,000	15,000
Receivables	3,063	10,942
Inventories	-	-
Other	27	30
Non-current assets classified as held for sale	-	-
Total Current Assets	26,685	26,382
Non-Current Assets		
Investments	12,000	6,000
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	495,034	491,921
Investments accounted for using equity method	-	-
Investment property	-	-
Intangible Assets	-	-
Other	-	-
Total non-Current Assets	507,034	497,921
TOTAL ASSETS	533,719	524,303
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	498	288
Interest bearing liabilities	1,258	1,186
Provisions	-	-
Total Current Liabilities	1,756	1,474
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	63,545	64,803
Provisions	-	-
Total Non-Current Liabilities	63,545	64,803
TOTAL LIABILITIES	65,301	66,277
NET ASSETS	468,418	458,026
EQUITY		
Retained earnings	191,624	188,266
Revaluation reserves	276,794	269,760
Council equity interest	468,418	458,026
Non-controlling equity interest	-	-
TOTAL EQUITY	468,418	458,026

Tweed Shire Council

Statement of Financial Position - Council's Sewerage Business Activity

as at 30 June 2015

\$ '000	Actual 2015	Actual 2014
ASSETS		
Current Assets		
Cash and cash equivalents	499	974
Investments	31,000	30,000
Receivables	2,437	2,808
Inventories	-	-
Other	26	26
Non-current assets classified as held for sale	-	-
Total Current Assets	33,962	33,808
Non-Current Assets		
Investments	30,000	25,000
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	604,290	600,000
Investments accounted for using equity method	-	-
Investment property	-	-
Intangible Assets	-	-
Other	-	2
Total non-Current Assets	634,290	625,002
TOTAL ASSETS	668,252	658,810
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	581	641
Interest bearing liabilities	2,086	2,447
Provisions	-	-
Total Current Liabilities	2,667	3,088
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	31,800	33,886
Provisions	-	-
Total Non-Current Liabilities	31,800	33,886
TOTAL LIABILITIES	34,467	36,974
NET ASSETS	633,785	621,836
EQUITY		
Retained earnings	232,038	228,666
Revaluation reserves	401,747	393,170
Council equity interest	633,785	621,836
Non-controlling equity interest	-	-
TOTAL EQUITY	633,785	621,836

Tweed Shire Council

Statement of Financial Position - Council's Other Business Activities

as at 30 June 2015

\$ '000	Holiday Parks		Commercial Waste	
	Category 1		Category 1	
	Actual 2015	Actual 2014	Actual 2015	Actual 2014
ASSETS				
Current Assets				
Cash and cash equivalents	300	192	1,627	940
Investments	17,984	18,146	9,763	8,079
Receivables	200	194	-	-
Inventories	-	-	-	-
Other	154	126	-	-
Non-current assets classified as held for sale	-	-	-	-
Total Current Assets	18,638	18,658	11,390	9,019
Non-Current Assets				
Investments	-	-	-	-
Receivables	-	-	-	-
Inventories	-	-	-	-
Infrastructure, property, plant and equipment	94,073	91,756	3,708	4,019
Investment property	-	-	-	-
Intangible Assets	-	-	-	-
Other	-	-	-	-
Total Non-Current Assets	94,073	91,756	3,708	4,019
TOTAL ASSETS	112,711	110,414	15,098	13,038
LIABILITIES				
Current Liabilities				
Bank Overdraft	-	-	-	-
Payables	2,313	2,148	98	182
Interest bearing liabilities	129	129	-	-
Provisions	294	263	-	10
Total Current Liabilities	2,736	2,540	98	192
Non-Current Liabilities				
Payables	-	-	-	-
Interest bearing liabilities	1,032	1,161	-	-
Provisions	93	89	319	307
Other Liabilities	-	-	-	-
Total Non-Current Liabilities	1,125	1,250	319	307
TOTAL LIABILITIES	3,861	3,790	417	499
NET ASSETS	108,850	106,624	14,681	12,539
EQUITY				
Retained earnings	29,060	26,634	13,344	11,316
Revaluation reserves	79,790	79,990	1,337	1,223
Council equity interest	108,850	106,624	14,681	12,539
Non-controlling equity interest	-	-	-	-
TOTAL EQUITY	108,850	106,624	14,681	12,539

Tweed Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2015

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	10
2	Water Supply Business Best Practice Management disclosure requirements	13
3	Sewerage Business Best Practice Management disclosure requirements	15

Tweed Shire Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2015

Note 1. Significant Accounting Policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Office 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) and
- Australian Accounting Interpretations and
- Significant Accounting Policies as outlined in Note 1 of the General Purpose Financial Statements

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

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard 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 and Costing for Council Businesses - A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

Category 1

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

- a. **Tweed Water**
Supply of water
- b. **Tweed Sewerage**
Sewerage Services
- c. **Tweed Coast Holiday Parks**
Holiday/Caravan parks
- d. **Commercial Waste**
Non-domestic waste collection and disposal

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).

Tweed Shire Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2015

Note 1. Significant Accounting Policies

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.

(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 **\$432,000** of combined land values attracts **0%**. From \$432,001 to \$2,641,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,641,000, a premium marginal rate of **2.0%** applies.

Payroll Tax – **5.45%** on the value of taxable salaries and wages in excess of \$750,000.

In accordance with 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 of 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 and Charges

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

Loan and Debt Guarantee Fees

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

Tweed Shire Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2015

Note 1. Significant Accounting Policies

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.

(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 and E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 3.02% at 30/6/15.

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 2015 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.

Tweed Shire Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2015Note 2. Water Supply Business
Best Practice Management disclosure requirements

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2015

1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i)	Calculated Tax Equivalents	1,005,000
(ii)	No of assessments multiplied by \$3/assessment	106,275
(iii)	Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	106,275
(iv)	Amounts actually paid for Tax Equivalents	104,976

2. Dividend from Surplus

(i)	50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	420,500
(ii)	No. of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	956,475
(iii)	Cumulative surplus before Dividends for the 3 years to 30 June 2015, less the cumulative dividends paid for the 2 years to 30 June 2014 & 30 June 2013	(409,000)

2015 Surplus	841,000	2014 Surplus	3,024,000	2013 Surplus	(4,274,000)
		2014 Dividend	-	2013 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 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]	NO
(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

Tweed Shire Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2015Note 2. Water Supply Business
Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2015

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	28,750
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)]	%	73.34%
NWI F9	Written Down Replacement Cost of Fixed Assets (Water) Written down current cost of system assets (w47)	\$'000	494,987
NWI F11	Operating Cost (OMA) (Water) Management Expenses (w1) + Operational & Maintenance Expenses (w2)	\$'000	13,521
NWI F14	Capital Expenditure (Water) Acquisition of fixed assets (w16)	\$'000	1,955
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)]	%	1.63%
NWI F26	Capital Works Grants (Water) Grants for the Acquisition of Assets (w11a)	\$'000	4

- Notes:
- References to w (eg. w12) refer to item numbers within Special Schedules No. 3 & 4
 - The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.

Tweed Shire Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2015Note 3. Sewerage Business
Best Practice Management disclosure requirements

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2015

1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i)	Calculated Tax Equivalents	1,030,000
(ii)	No of assessments multiplied by \$3/assessment	101,415
(iii)	Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	101,415
(iv)	Amounts actually paid for Tax Equivalents	100,122

2. Dividend from Surplus

(i)	50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	-												
(ii)	No. of assessments x (\$30 less tax equivalent charges per assessment)	912,735												
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2015, less the cumulative dividends paid for the 2 years to 30 June 2014 & 30 June 2013	(2,352,000)												
<table border="1"> <tr> <td>2015 Surplus</td> <td>(568,000)</td> <td>2014 Surplus</td> <td>(73,000)</td> <td>2013 Surplus</td> <td>(1,711,000)</td> </tr> <tr> <td></td> <td></td> <td>2014 Dividend</td> <td>-</td> <td>2013 Dividend</td> <td>-</td> </tr> </table>			2015 Surplus	(568,000)	2014 Surplus	(73,000)	2013 Surplus	(1,711,000)			2014 Dividend	-	2013 Dividend	-
2015 Surplus	(568,000)	2014 Surplus	(73,000)	2013 Surplus	(1,711,000)									
		2014 Dividend	-	2013 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)	NO
(iv)	a. Integrated Water Cycle Management Evaluation	YES
	b. Complete and implement Integrated Water Cycle Management Strategy	YES

Tweed Shire Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2015Note 3. Sewerage Business
Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2015

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	33,466
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	603,979
NWI F12	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	16,112
NWI F15	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	5,042
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)]	%	1.14%
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	60,033
NWI F8	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	1.24%
NWI F16	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	6,997
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)]	%	1.36%
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%

Tweed Shire Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2015Note 3. Sewerage Business
Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2015

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)]	%	0.14%
NWI F23	Interest Cover (Water & Sewerage) Earnings before Interest & Tax (EBIT) divided by Net Interest Earnings before Interest & Tax (EBIT): 15,002 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: 4,513 Interest Expense (w4a + s4a) - Interest Income (w9 + s10)		3
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	6,521
NWI F25	Community Service Obligations (Water & Sewerage) Grants for Pensioner Rebates (w11b + s12b)	\$'000	745

- 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.



**TWEED SHIRE COUNCIL
SPECIAL PURPOSE FINANCIAL STATEMENTS
INDEPENDENT AUDIT REPORT**

Report on the Financial Statements

We have audited the accompanying financial statements, being special purpose financial statements, of Tweed Shire Council (the Council), which comprises the statement of financial position as at 30 June 2015, the income statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Councillors' and Management.

Council's Responsibility for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements and has determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the *Local Government Act 1993* and meet the needs of the NSW Office of Local Government. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those 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 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.

Our audit responsibility does not extend to the best practice management disclosures in Note 2 and Note 3, and accordingly, we do not express an opinion on such. In addition, our audit did not include an analysis of the prudence of business decisions made by Council or management.

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 have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion, the special purpose financial statements of Tweed Shire Council:

- a) Have been prepared in accordance with the requirements of those applicable Australian Accounting Standards detailed in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting;
 - i) Are consistent with the Council's accounting records;
 - ii) Present fairly, in all material respects, the financial position of Council's nominated Business Activities as at 30 June 2015 and the results of their operations for the year then ended;
- b) All information relevant to the conduct of the audit has been obtained; and
- c) There are no material deficiencies in the accounting records or financial statements that we have become aware of in the course of the audit.

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 NSW Office of Local Government. As a result, the financial statements may not be suitable for another purpose.

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This auditor's report relates to the special purpose financial statements of Tweed Shire Council for the financial year ended 30 June 2015 published in the annual report and included on Council's website. The Council is responsible for the integrity of the website. We have not been engaged to report on the integrity of this website. The auditor's report refers only to the financial statements identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial statements. If users of the financial statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements to confirm the information contained in this website version of the financial statements.

THOMAS NOBLE & RUSSELL CHARTERED ACCOUNTANTS

.....
A J BRADFIELD (Partner)
Registered Company Auditor

Dated at Lismore this 29th day of October 2015.



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)?			
	<input type="checkbox"/>	<input type="checkbox"/>	
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.			
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	35,577	37,952
15. Gain (or loss) on disposal of assets	(1,861)	(613)
16. Operating Result	3,372	7,963
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%
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%
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 2015	Indicator 2015	Prior Periods	
			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>			

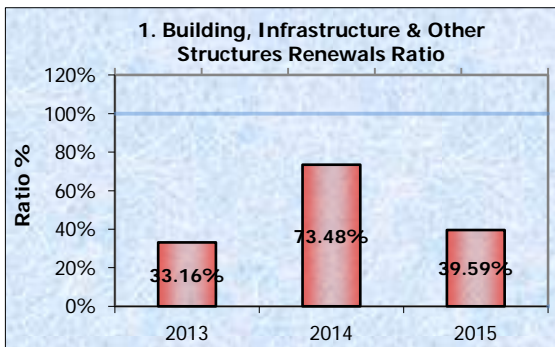
Notes

⁽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.

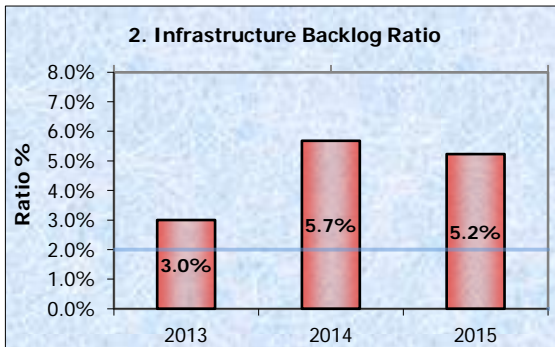
Commentary on 2014/15 Result

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.

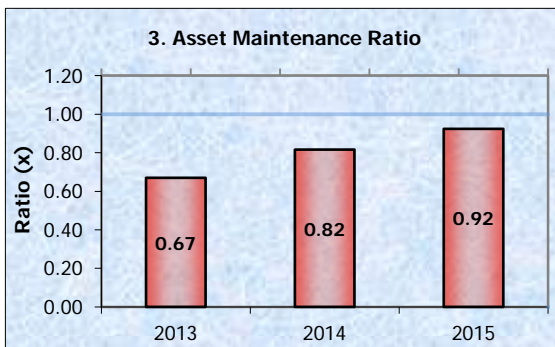
Commentary on 2014/15 Result

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.

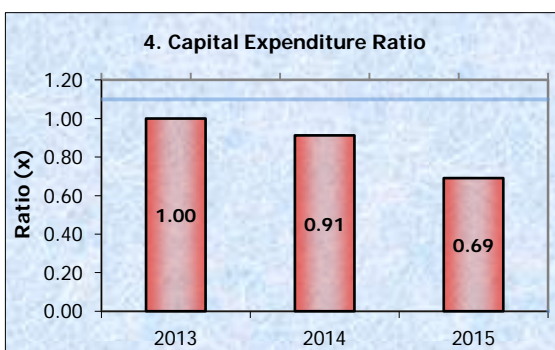
Commentary on 2014/15 Result

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

31 Keen Street (PO Box 106)
Lismore NSW 2480

Email: enquiries@tnr.com.au
Phone: Business Services +61 (0)2 6621 8544
Audit & Assurance +61 (0)2 6626 3000

Website: www.tnr.com.au
Facsimile: +61 (0)2 6621 9035



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 horizontal dotted line.

A J BRADFIELD (Partner)



Customer Service | 1300 292 872 (02) 6670 2400

tsc@tweed.nsw.gov.au
www.tweed.nsw.gov.au

Fax (02) 6670 2429
PO Box 816
Murwillumbah NSW 2484