

# Tenterfield Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2016

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**"Birthplace of Our Nation"**



# Tenterfield Shire Council

## Special Schedules for the year ended 30 June 2016

### Contents

Page

#### Special Schedules<sup>1</sup>

<b>Special Schedule 1</b>	Net Cost of Services	2
<b>Special Schedule 2(a)</b>	Statement of Long Term Debt (all purposes)	4
<b>Special Schedule 2(b)</b>	Statement of Internal Loans (Sect. 410(3) LGA 1993)	n/a
<b>Special Schedule 3</b>	Water Supply Operations – incl. Income Statement	5
<b>Special Schedule 4</b>	Water Supply – Statement of Financial Position	8
<b>Special Schedule 5</b>	Sewerage Service Operations – incl. Income Statement	9
<b>Special Schedule 6</b>	Sewerage Service – Statement of Financial Position	12
<b>Notes to Special Schedules 3 and 5</b>		13
<b>Special Schedule 7</b>	Report on Infrastructure Assets	14
<b>Special Schedule 8</b>	Permissible Income Calculation	19

<sup>1</sup> Special Schedules are not audited (with the exception of Special Schedule 8).

#### Background

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

## Tenterfield Shire Council

# Special Schedule 1 – Net Cost of Services

for the year ended 30 June 2016

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
<b>Governance</b>	<b>232</b>	–	–	<b>(232)</b>
<b>Administration</b>	–	<b>1,036</b>	–	<b>1,036</b>
<b>Public order and safety</b>				
Fire service levy, fire protection, emergency services	502	324	–	<b>(178)</b>
Beach control	–	–	–	–
Enforcement of local government regulations	39	–	–	<b>(39)</b>
Animal control	115	9	–	<b>(106)</b>
Other	–	–	–	–
<b>Total public order and safety</b>	<b>656</b>	<b>333</b>	–	<b>(323)</b>
<b>Health</b>	<b>62</b>	<b>34</b>	–	<b>(28)</b>
<b>Environment</b>				
Noxious plants and insect/vermin control	77	30	–	<b>(47)</b>
Other environmental protection	–	–	–	–
Solid waste management	2,009	1,865	24	<b>(120)</b>
Street cleaning	96	–	–	<b>(96)</b>
Drainage	–	–	–	–
Stormwater management	144	64	–	<b>(80)</b>
<b>Total environment</b>	<b>2,326</b>	<b>1,959</b>	<b>24</b>	<b>(343)</b>
<b>Community services and education</b>				
Administration and education	58	8	–	<b>(50)</b>
Social protection (welfare)	–	–	–	–
Aged persons and disabled	1	1	–	–
Children's services	2	2	–	–
<b>Total community services and education</b>	<b>61</b>	<b>11</b>	–	<b>(50)</b>
<b>Housing and community amenities</b>				
Public cemeteries	105	87	–	<b>(18)</b>
Public conveniences	108	–	35	<b>(73)</b>
Street lighting	303	75	–	<b>(228)</b>
Town planning	522	174	80	<b>(268)</b>
Other community amenities	119	110	–	<b>(9)</b>
<b>Total housing and community amenities</b>	<b>1,157</b>	<b>446</b>	<b>115</b>	<b>(596)</b>
<b>Water supplies</b>	<b>1,680</b>	<b>1,768</b>	<b>420</b>	<b>508</b>
<b>Sewerage services</b>	<b>1,869</b>	<b>1,803</b>	<b>13</b>	<b>(53)</b>

## Tenterfield Shire Council

# Special Schedule 1 – Net Cost of Services (continued)

for the year ended 30 June 2016

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
<b>Recreation and culture</b>				
Public libraries	492	36	6	(450)
Museums	—	—	—	—
Art galleries	—	—	—	—
Community centres and halls	509	12	—	(497)
Performing arts venues	245	103	—	(142)
Other performing arts	—	—	—	—
Other cultural services	—	—	—	—
Sporting grounds and venues	123	2	—	(121)
Swimming pools	248	37	7	(204)
Parks and gardens (lakes)	621	1	—	(620)
Other sport and recreation	—	—	—	—
<b>Total recreation and culture</b>	<b>2,238</b>	<b>191</b>	<b>13</b>	<b>(2,034)</b>
<b>Fuel and energy</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Agriculture</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Mining, manufacturing and construction</b>				
Building control	303	78	—	(225)
Other mining, manufacturing and construction	—	—	—	—
<b>Total mining, manufacturing and const.</b>	<b>303</b>	<b>78</b>	<b>—</b>	<b>(225)</b>
<b>Transport and communication</b>				
Urban roads (UR) – local	581	39	1	(541)
Urban roads – regional	—	—	—	—
Sealed rural roads (SRR) – local	1,010	710	95	(205)
Sealed rural roads (SRR) – regional	1,359	2,138	624	1,403
Unsealed rural roads (URR) – local	2,246	475	—	(1,771)
Unsealed rural roads (URR) – regional	135	119	—	(16)
Bridges on UR – local	25	—	—	(25)
Bridges on SRR – local	280	—	—	(280)
Bridges on URR – local	624	—	—	(624)
Bridges on regional roads	374	—	745	371
Parking areas	—	—	—	—
Footpaths	50	—	8	(42)
Aerodromes	30	—	—	(30)
Other transport and communication	77	25	—	(52)
<b>Total transport and communication</b>	<b>6,791</b>	<b>3,506</b>	<b>1,473</b>	<b>(1,812)</b>
<b>Economic affairs</b>				
Camping areas and caravan parks	—	—	—	—
Other economic affairs	771	383	—	(388)
<b>Total economic affairs</b>	<b>771</b>	<b>383</b>	<b>—</b>	<b>(388)</b>
<b>Totals – functions</b>	<b>18,146</b>	<b>11,548</b>	<b>2,058</b>	<b>(4,540)</b>
<b>General purpose revenues <sup>(1)</sup></b>		<b>8,033</b>		<b>8,033</b>
<b>Share of interests – joint ventures and associates using the equity method</b>	<b>—</b>	<b>—</b>		<b>—</b>
<b>NET OPERATING RESULT <sup>(2)</sup></b>	<b>18,146</b>	<b>19,581</b>	<b>2,058</b>	<b>3,493</b>

(1) Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges (2) As reported in the Income Statement

## Tenterfield Shire Council

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

for the year ended 30 June 2016

\$'000

Classification of debt	Principal outstanding at beginning of the year			New loans raised during the year	Debt redemption during the year		Transfers to sinking funds	Interest applicable for year	Principal outstanding at the end of the year		
	Current	Non-current	Total		From revenue	Sinking funds			Current	Non-current	Total
<b>Loans (by source)</b>											
Commonwealth government	–	–	–	–	–	–	–	–	–	–	–
Treasury corporation	–	–	–	–	–	–	–	–	–	–	–
Other state government	–	–	–	–	–	–	–	–	–	–	–
Public subscription	–	–	–	–	–	–	–	–	–	–	–
Financial institutions	535	5,089	<b>5,624</b>	–	535	–	–	355	494	4,595	<b>5,089</b>
Other	–	–	–	–	–	–	–	–	–	–	–
<b>Total loans</b>	<b>535</b>	<b>5,089</b>	<b>5,624</b>	–	<b>535</b>	–	–	<b>355</b>	<b>494</b>	<b>4,595</b>	<b>5,089</b>
<b>Other long term debt</b>											
Ratepayers advances	–	–	–	–	–	–	–	–	–	–	–
Government advances	–	–	–	–	–	–	–	–	–	–	–
Finance leases	–	–	–	–	–	–	–	–	–	–	–
Deferred payments	–	–	–	–	–	–	–	–	–	–	–
<b>Total long term debt</b>	–	–	–	–	–	–	–	–	–	–	–
<b>Total debt</b>	<b>535</b>	<b>5,089</b>	<b>5,624</b>	–	<b>535</b>	–	–	<b>355</b>	<b>494</b>	<b>4,595</b>	<b>5,089</b>

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

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

## Tenterfield Shire Council

## Special Schedule 3 – Water Supply Income Statement

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

\$'000	Actuals 2016	Actuals 2015
<b>A Expenses and income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	407	454
b. Engineering and supervision	65	43
<b>2. Operation and maintenance expenses</b>		
– dams and weirs		
a. Operation expenses	8	19
b. Maintenance expenses	–	–
– Mains		
c. Operation expenses	170	140
d. Maintenance expenses	–	–
– Reservoirs		
e. Operation expenses	6	8
f. Maintenance expenses	–	–
– Pumping stations		
g. Operation expenses (excluding energy costs)	33	11
h. Energy costs	28	24
i. Maintenance expenses	–	–
– Treatment		
j. Operation expenses (excluding chemical costs)	268	275
k. Chemical costs	79	65
l. Maintenance expenses	–	–
– Other		
m. Operation expenses	15	14
n. Maintenance expenses	–	–
o. Purchase of water	42	34
<b>3. Depreciation expenses</b>		
a. System assets	520	495
b. Plant and equipment	7	10
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	21	22
b. Revaluation decrements	–	–
c. Other expenses	24	3
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
<b>5. Total expenses</b>	<b>1,693</b>	<b>1,617</b>

## Tenterfield Shire Council

## Special Schedule 3 – Water Supply Income Statement (continued)

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

\$'000	Actuals 2016	Actuals 2015
<b>Income</b>		
<b>6. Residential charges</b>		
a. Access (including rates)	761	691
b. Usage charges	595	544
<b>7. Non-residential charges</b>		
a. Access (including rates)	142	130
b. Usage charges	150	104
<b>8. Extra charges</b>	—	—
<b>9. Interest income</b>	47	39
<b>10. Other income</b>	13	11
<b>10a. Aboriginal Communities Water and Sewerage Program</b>	—	—
<b>11. Grants</b>		
a. Grants for acquisition of assets	398	—
b. Grants for pensioner rebates	28	26
c. Other grants	—	12
<b>12. Contributions</b>		
a. Developer charges	16	2
b. Developer provided assets	—	—
c. Other contributions	98	94
<b>13. Total income</b>	<b>2,248</b>	<b>1,653</b>
<b>14. Gain (or loss) on disposal of assets</b>	—	—
<b>15. Operating result</b>	<b>555</b>	<b>36</b>
<b>15a. Operating result (less grants for acquisition of assets)</b>	157	36

## Tenterfield Shire Council

## Special Schedule 3 – Water Supply Income Statement (continued)

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

\$'000	Actuals 2016	Actuals 2015
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>16. Acquisition of fixed assets</b>		
a. New assets for improved standards	19	65
b. New assets for growth	–	5
c. Renewals	654	444
d. Plant and equipment	21	–
<b>17. Repayment of debt</b>	9	8
<b>18. Totals</b>	<b>703</b>	<b>522</b>
<b>Non-operating funds employed</b>		
<b>19. Proceeds from disposal of assets</b>	–	–
<b>20. Borrowing utilised</b>	–	–
<b>21. Totals</b>	<b>–</b>	<b>–</b>
<b>C Rates and charges</b>		
<b>22. Number of assessments</b>		
a. Residential (occupied)	1,657	1,683
b. Residential (unoccupied, ie. vacant lot)	145	145
c. Non-residential (occupied)	306	266
d. Non-residential (unoccupied, ie. vacant lot)	–	–
<b>23. Number of ETs for which developer charges were received</b>	3 ET	1 ET
<b>24. Total amount of pensioner rebates (actual dollars)</b>	\$ 52,000	\$ 48,000



## Tenterfield Shire Council

## Special Schedule 4 – Water Supply Statement of Financial Position

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

\$'000	Actuals Current	Actuals Non-current	Actuals Total
<b>ASSETS</b>			
<b>25. Cash and investments</b>			
a. Developer charges	–	–	–
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	1,178	–	1,178
<b>26. Receivables</b>			
a. Specific purpose grants	399	–	399
b. Rates and availability charges	57	–	57
c. User charges	384	–	384
d. Other	96	–	96
<b>27. Inventories</b>	–	–	–
<b>28. Property, plant and equipment</b>			
a. System assets	–	16,603	16,603
b. Plant and equipment	–	32	32
<b>29. Other assets</b>	–	–	–
<b>30. Total assets</b>	<b>2,114</b>	<b>16,635</b>	<b>18,749</b>
<b>LIABILITIES</b>			
<b>31. Bank overdraft</b>	–	–	–
<b>32. Creditors</b>	90	–	90
<b>33. Borrowings</b>	9	314	323
<b>34. Provisions</b>			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
<b>35. Total liabilities</b>	<b>99</b>	<b>314</b>	<b>413</b>
<b>36. NET ASSETS COMMITTED</b>	<b>2,015</b>	<b>16,321</b>	<b>18,336</b>
<b>EQUITY</b>			
<b>37. Accumulated surplus</b>			5,614
<b>38. Asset revaluation reserve</b>			12,722
<b>39. TOTAL EQUITY</b>			<b>18,336</b>
<b>Note to system assets:</b>			
<b>40. Current replacement cost</b> of system assets			44,396
<b>41. Accumulated current cost</b> depreciation of system assets			(27,793)
<b>42. Written down current cost</b> of system assets			<b>16,603</b>

## Tenterfield Shire Council

## Special Schedule 5 – Sewerage Service Income Statement

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

\$'000	Actuals 2016	Actuals 2015
<b>A Expenses and income</b> <b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	346	387
b. Engineering and supervision	80	49
<b>2. Operation and maintenance expenses</b>		
– mains		
a. Operation expenses	96	87
b. Maintenance expenses	–	–
– Pumping stations		
c. Operation expenses (excluding energy costs)	65	41
d. Energy costs	8	7
e. Maintenance expenses	–	–
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	211	237
g. Chemical costs	60	84
h. Energy costs	55	43
i. Effluent management	–	–
j. Biosolids management	22	8
k. Maintenance expenses	–	–
– Other		
l. Operation expenses	–	–
m. Maintenance expenses	–	–
<b>3. Depreciation expenses</b>		
a. System assets	754	521
b. Plant and equipment	–	1
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	170	174
b. Revaluation decrements	–	–
c. Other expenses	11	13
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
<b>5. Total expenses</b>	<b>1,878</b>	<b>1,652</b>

## Tenterfield Shire Council

## Special Schedule 5 – Sewerage Service Income Statement (continued)

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

\$'000	Actuals 2016	Actuals 2015
<b>Income</b>		
<b>6. Residential charges</b> (including rates)	1,391	1,342
<b>7. Non-residential charges</b>		
a. Access (including rates)	270	270
b. Usage charges	67	58
<b>8. Trade waste charges</b>		
a. Annual fees	8	34
b. Usage charges	24	–
c. Excess mass charges	–	–
d. Re-inspection fees	–	–
<b>9. Extra charges</b>	–	–
<b>10. Interest income</b>	35	36
<b>11. Other income</b>	19	8
<b>11a. Aboriginal Communities Water and Sewerage Program</b>	–	–
<b>12. Grants</b>		
a. Grants for acquisition of assets	–	–
b. Grants for pensioner rebates	25	23
c. Other grants	–	–
<b>13. Contributions</b>		
a. Developer charges	13	2
b. Developer provided assets	–	–
c. Other contributions	–	6
<b>14. Total income</b>	<b>1,852</b>	<b>1,779</b>
<b>15. Gain (or loss) on disposal of assets</b>	–	–
<b>16. Operating result</b>	<b>(26)</b>	<b>127</b>
<b>16a. Operating result (less grants for acquisition of assets)</b>	(26)	127

## Tenterfield Shire Council

## Special Schedule 5 – Sewerage Service Income Statement (continued)

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

\$'000	Actuals 2016	Actuals 2015
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>17. Acquisition of fixed assets</b>		
a. New assets for improved standards	144	58
b. New assets for growth	130	229
c. Renewals	155	413
d. Plant and equipment	–	–
<b>18. Repayment of debt</b>	58	54
<b>19. Totals</b>	<b>487</b>	<b>754</b>
<b>Non-operating funds employed</b>		
<b>20. Proceeds from disposal of assets</b>	–	–
<b>21. Borrowing utilised</b>	–	–
<b>22. Totals</b>	<b>–</b>	<b>–</b>
<b>C Rates and charges</b>		
<b>23. Number of assessments</b>		
a. Residential (occupied)	1,432	1,446
b. Residential (unoccupied, ie. vacant lot)	93	93
c. Non-residential (occupied)	284	265
d. Non-residential (unoccupied, ie. vacant lot)	–	–
<b>24. Number of ETs for which developer charges were received</b>	2 ET	1 ET
<b>25. Total amount of pensioner rebates (actual dollars)</b>	\$ 45,000	\$ 41,000

## Tenterfield Shire Council

## Special Schedule 6 – Sewerage Service Statement of Financial Position

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

\$'000	Actuals Current	Actuals Non-current	Actuals Total
<b>ASSETS</b>			
<b>26. Cash and investments</b>			
a. Developer charges	—	—	—
b. Special purpose grants	—	—	—
c. Accrued leave	—	—	—
d. Unexpended loans	—	—	—
e. Sinking fund	—	—	—
f. Other	1,267	—	1,267
<b>27. Receivables</b>			
a. Specific purpose grants	1	—	1
b. Rates and availability charges	109	—	109
c. User charges	50	—	50
d. Other	1	—	1
<b>28. Inventories</b>	—	—	—
<b>29. Property, plant and equipment</b>			
a. System assets	—	22,920	22,920
b. Plant and equipment	—	11	11
<b>30. Other assets</b>	—	—	—
<b>31. Total assets</b>	<b>1,428</b>	<b>22,931</b>	<b>24,359</b>
<b>LIABILITIES</b>			
<b>32. Bank overdraft</b>	—	—	—
<b>33. Creditors</b>	37	—	37
<b>34. Borrowings</b>	64	2,071	2,135
<b>35. Provisions</b>			
a. Tax equivalents	—	—	—
b. Dividend	—	—	—
c. Other	—	—	—
<b>36. Total liabilities</b>	<b>101</b>	<b>2,071</b>	<b>2,172</b>
<b>37. NET ASSETS COMMITTED</b>	<b>1,327</b>	<b>20,860</b>	<b>22,187</b>
<b>EQUITY</b>			
<b>38. Accumulated surplus</b>			9,677
<b>39. Asset revaluation reserve</b>			12,510
<b>40. TOTAL EQUITY</b>			<b>22,187</b>
<b>Note to system assets:</b>			
<b>41. Current replacement cost</b> of system assets			34,344
<b>42. Accumulated current cost</b> depreciation of system assets			(11,424)
<b>43. Written down current cost</b> of system assets			22,920

# Tenterfield Shire Council

## Notes to Special Schedules 3 and 5

for the year ended 30 June 2016

### Administration <sup>(1)</sup>

(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 <sup>(1)</sup>

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

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

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

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

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

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

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

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

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

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

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

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

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

### Notes:

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

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

## Tenterfield Shire Council

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

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2015/16 Required maintenance <sup>a</sup>	2015/16 Actual maintenance	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
<b>Buildings</b>	Community Buildings	44	33	135	158	2,122	5,528	0%	82%	0%	18%	0%
	Community Residences	–	–	11	12	718	1,194	0%	0%	100%	0%	0%
	Community Centre	–	–	2	2	378	1,117	0%	100%	0%	0%	0%
	Animal Control	–	–	–	–	30	51	0%	100%	0%	0%	0%
	Waste	12	9	4	4	190	405	0%	50%	25%	0%	25%
	Emergency Services	–	–	23	25	222	369	100%	0%	0%	0%	0%
	Health	–	–	–	–	599	700	100%	0%	0%	0%	0%
	Communication Facilities	–	–	33	37	91	267	0%	100%	0%	0%	0%
	Parks & Gardens	–	–	7	7	219	620	0%	100%	0%	0%	0%
	Community Halls	298	223	33	32	4,685	12,761	37%	20%	27%	16%	0%
	Public Toilets	–	–	2	1	661	1,243	20%	40%	40%	0%	0%
	Saleyards	160	120	5	5	186	471	0%	66%	17%	17%	0%
	Sporting Facilities	440	330	–	–	908	1,894	0%	78%	0%	22%	0%
	Swimming Pool	–	–	3	3	259	702	0%	67%	33%	0%	0%
	Tourism	–	–	7	8	454	726	100%	0%	0%	0%	0%
	Museum	–	–	1	1	374	1,295	0%	100%	0%	0%	0%
	Works Depot	–	–	52	55	1,167	2,814	0%	50%	50%	0%	0%
	<b>Sub-total</b>	<b>954</b>	<b>715</b>	<b>318</b>	<b>350</b>	<b>13,863</b>	<b>32,157</b>	<b>21.0%</b>	<b>46.0%</b>	<b>21.6%</b>	<b>11.0%</b>	<b>0.3%</b>
<b>Other structures</b>	Other structures	–	–	66	84	2,205	3,075	58%	40%	2%	0%	0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>66</b>	<b>84</b>	<b>2,205</b>	<b>3,075</b>	<b>58.0%</b>	<b>40.0%</b>	<b>2.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Roads</b>	Sealed roads	2,023	2,023	838	1,036	13,055	19,058	51%	19%	15%	12%	3%
	Unsealed roads	745	745	1,357	1,620	40,881	60,001	1%	21%	59%	15%	4%
	Bridges	3,129	3,129	151	72	42,572	70,229	27%	23%	35%	15%	0%
	Footpaths	12	12	18	13	1,809	2,983	5%	42%	42%	11%	0%
	Other road assets	399	399	170	156	47,615	72,305	23%	56%	13%	6%	2%
	Bulk earthworks	–	–	–	–	131,494	131,494	100%	0%	0%	0%	0%
	<b>Sub-total</b>	<b>6,308</b>	<b>6,308</b>	<b>2,534</b>	<b>2,897</b>	<b>277,426</b>	<b>356,070</b>	<b>49.9%</b>	<b>20.8%</b>	<b>20.6%</b>	<b>7.4%</b>	<b>1.2%</b>

## Tenterfield Shire Council

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

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2015/16 Required maintenance <sup>a</sup>	2015/16 Actual maintenance	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Water supply network	Water supply network	3,195	3,195	635	593	16,347	44,140	29%	55%	1%	15%	0%
	<b>Sub-total</b>	<b>3,195</b>	<b>3,195</b>	<b>635</b>	<b>593</b>	<b>16,347</b>	<b>44,140</b>	<b>29.0%</b>	<b>55.0%</b>	<b>1.0%</b>	<b>15.0%</b>	<b>0.0%</b>
Sewerage network	Sewerage network	640	640	568	517	22,826	34,250	6%	77%	15%	2%	0%
	<b>Sub-total</b>	<b>640</b>	<b>640</b>	<b>568</b>	<b>517</b>	<b>22,826</b>	<b>34,250</b>	<b>6.0%</b>	<b>77.0%</b>	<b>15.0%</b>	<b>2.0%</b>	<b>0.0%</b>
Stormwater drainage	Stormwater drainage	631	631	85	94	4,615	9,114	29%	33%	7%	22%	9%
	<b>Sub-total</b>	<b>631</b>	<b>631</b>	<b>85</b>	<b>94</b>	<b>4,615</b>	<b>9,114</b>	<b>29.0%</b>	<b>33.0%</b>	<b>7.0%</b>	<b>22.0%</b>	<b>9.0%</b>
Open space/recreational assets	Swimming pools	–	–	35	34	947	1,164	0%	100%	0%	0%	0%
	Open Space & Recreation	–	–	371	422	1,692	2,036	17%	75%	8%	0%	0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>406</b>	<b>456</b>	<b>2,639</b>	<b>3,200</b>	<b>10.8%</b>	<b>84.1%</b>	<b>5.1%</b>	<b>0.0%</b>	<b>0.0%</b>
	<b>TOTAL – ALL ASSETS</b>	<b>11,728</b>	<b>11,489</b>	<b>4,612</b>	<b>4,991</b>	<b>339,921</b>	<b>482,006</b>	<b>42.3%</b>	<b>30.4%</b>	<b>18.0%</b>	<b>8.2%</b>	<b>1.1%</b>

## Notes:

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

## Infrastructure asset condition assessment 'key'

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



## Tenterfield Shire Council

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

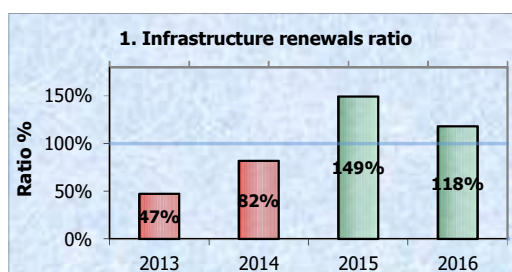
\$ '000	Amounts 2016	Indicator 2016	Prior periods 20152014	
Infrastructure asset performance indicators * consolidated				
1. Infrastructure renewals ratio				
Asset renewals <sup>(1)</sup>	6,254	118.11%	149.35%	81.84%
Depreciation, amortisation and impairment	5,295			
2. Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard	11,728	5.63%	7.86%	20.15%
Carrying value of infrastructure assets	208,427			
3. Asset maintenance ratio				
Actual asset maintenance	4,991	1.08	1.06	0.83
Required asset maintenance	4,612			
4. Cost to bring assets to agreed service level				
Estimated cost to bring assets to an agreed service level set by Council	11,489	2.38%	0.00%	
Gross replacement cost	482,006			
5. Capital expenditure ratio				
Annual capital expenditure	7,881	1.36	1.63	0.85
Annual depreciation	5,805			

## Notes

\* All asset performance indicators are calculated using the asset classes identified in the previous table.

<sup>(1)</sup> Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

## Tenterfield Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued)  
for the year ended 30 June 2016Benchmark: — Minimum  $\geq 100.00\%$ 

Source for benchmark: Code of Accounting Practice and Financial Reporting #24

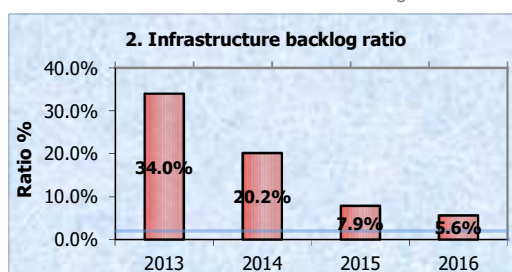
**Purpose of asset renewals ratio**

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

**Commentary on 2015/16 result****2015/16 Ratio 118.11%**

The average for Group 10 Councils is 100.6% (2014/15 data). The benchmark is greater than 100%.

Ratio achieves benchmark  
Ratio is outside benchmark

Benchmark: — Maximum  $< 2.00\%$ 

Source for benchmark: Code of Accounting Practice and Financial Reporting #24

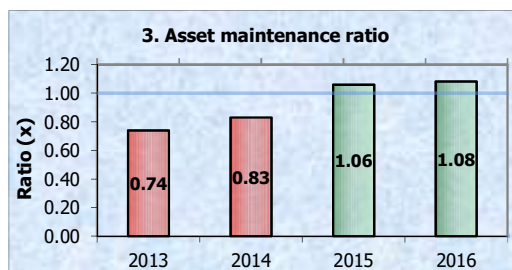
**Purpose of infrastructure backlog ratio**

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

**Commentary on 2015/16 result****2015/16 Ratio 5.63%**

The average for Group 10 Councils is 7.4% (2014/15 data). The benchmark is less than 2%.

Ratio achieves benchmark  
Ratio is outside benchmark

Benchmark: — Minimum  $> 1.00$ 

Source for benchmark: Code of Accounting Practice and Financial Reporting #24

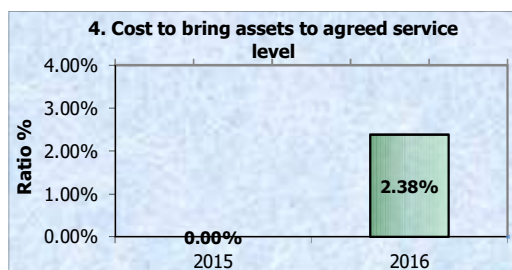
**Purpose of asset maintenance ratio**

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 2015/16 result****2015/16 Ratio 1.08 x**

The average for Group 10 Councils is 0.98x (2014/15 data). The benchmark is greater than 1.0x.

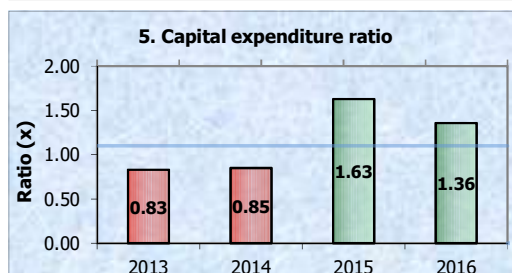
Ratio achieves benchmark  
Ratio is outside benchmark

**Purpose of agreed service level ratio**

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

**Commentary on 2015/16 result****2015/16 Ratio 2.38%**

The average for Group 10 Councils and comparative data is not available. An industry benchmark has not been determined.

Benchmark: — Minimum  $> 1.10$ 

Source for benchmark: Code of Accounting Practice and Financial Reporting #24

**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 2015/16 result****2015/16 Ratio 1.36 x**

This performance indicator is no longer part of the Accounting Code. Provided for comparative purposes.

Ratio achieves benchmark  
Ratio is outside benchmark

## Tenterfield Shire Council

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

\$ '000	Water 2016	Sewer 2016	General <sup>(1)</sup> 2016
<b>Infrastructure asset performance indicators by fund</b>			
<b>1. Infrastructure renewals ratio</b>			
Asset renewals <sup>(2)</sup>	<b>127.12%</b>	<b>39.66%</b>	<b>131.66%</b>
Depreciation, amortisation and impairment			
prior period:	88.89%	67.18%	170.47%
<b>2. Infrastructure backlog ratio</b>			
Estimated cost to bring assets to a satisfactory standard	<b>19.54%</b>	<b>2.80%</b>	<b>4.64%</b>
Carrying value of infrastructure assets			
prior period:	18.82%	2.19%	7.59%
<b>3. Asset maintenance ratio</b>			
Actual asset maintenance	<b>0.93</b>	<b>0.91</b>	<b>1.14</b>
Required asset maintenance			
prior period:	0.85	0.77	1.15
<b>4. Cost to bring assets to agreed service level</b>			
Estimated cost to bring assets to an agreed service level set by Council	<b>7.24%</b>	<b>1.87%</b>	<b>1.90%</b>
Gross replacement cost			
prior period:	0.00%	0.00%	0.00%
<b>5. Capital expenditure ratio</b>			
Annual capital expenditure	<b>1.32</b>	<b>0.57</b>	<b>1.49</b>
Annual depreciation			
prior period:	1.02	1.34	1.74

## Notes

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

## Tenterfield Shire Council

## Special Schedule 8 – Permissible Income Calculation

for the year ended 30 June 2017

\$'000		Calculation 2015/16	Calculation 2016/17
<b>Notional general income calculation <sup>(1)</sup></b>			
Last year notional general income yield	a	3,277	3,572
Plus or minus adjustments <sup>(2)</sup>	b	7	(2)
<b>Notional general income</b>	c = (a + b)	<b>3,284</b>	<b>3,570</b>
<b>Permissible income calculation</b>			
Special variation percentage <sup>(3)</sup>	d	10.00%	10.00%
Or rate peg percentage	e	0.00%	0.00%
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
Less expiring special variation amount	g	—	—
Plus special variation amount	h = d x (c - g)	328	357
Or plus rate peg amount	i = c x e	—	—
Or plus Crown land adjustment and rate peg amount	j = c x f	—	—
<b>Sub-total</b>	k = (c + g + h + i + j)	<b>3,612</b>	<b>3,927</b>
Plus (or minus) last year's carry forward total	l	(18)	22
Less valuation objections claimed in the previous year	m	—	—
<b>Sub-total</b>	n = (l + m)	<b>(18)</b>	<b>22</b>
<b>Total permissible income</b>	o = k + n	<b>3,594</b>	<b>3,949</b>
Less notional general income yield	p	3,572	3,959
<b>Catch-up or (excess) result</b>	q = o - p	<b>22</b>	<b>(10)</b>
Plus income lost due to valuation objections claimed <sup>(4)</sup>	r	—	—
Less unused catch-up <sup>(5)</sup>	s	—	—
<b>Carry forward to next year</b>	t = q + r - s	<b>22</b>	<b>(10)</b>

### Notes

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



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Forsyths Business Services Pty Ltd  
ABN 66 182 781 401

## **TENTERFIELD SHIRE COUNCIL INDEPENDENT AUDITORS' REPORT - SPECIAL SCHEDULE No. 8**

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

### **Responsibility of Council for Special Schedule No. 8**

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

### **Auditor's Responsibilities**

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

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

**Knowledge with integrity**

Liability limited by a scheme approved under the Professional Standards Legislation

**ARMIDALE | COONABARABRAN | GUNNEDAH | TAMWORTH**

**Tenterfield Shire Council**  
**INDEPENDENT AUDITORS' REPORT - SPECIAL SCHEDULE No. 8**

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

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

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

**Independence**

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

**Audit Opinion**

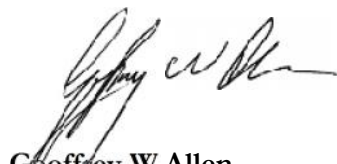
In our opinion Special Schedule No. 8 of Tenterfield Shire Council for the year ending 30 June 2017 is properly drawn up in all material respects, in accordance with the requirements of the Office of Local Government and in accordance with the books and records of Council.

**Basis of Accounting**

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

*Forsyths*

**FORYSTHS BUSINESS SERVICES PTY LTD**



**Geoffrey W Allen**  
**Principal**

Dated at Armidale this 25<sup>th</sup> October 2016