

# Tenterfield Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2017

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**"Birthplace of Our Nation"**



# Tenterfield Shire Council

## Special Schedules

for the year ended 30 June 2017

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<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 2017

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
<b>Governance</b>	<b>284</b>	<b>–</b>	<b>–</b>	<b>(284)</b>
<b>Administration</b>	<b>–</b>	<b>711</b>	<b>–</b>	<b>711</b>
<b>Public order and safety</b>				
Fire service levy, fire protection, emergency services	435	50	–	(385)
Enforcement of local government regulations	117	–	–	(117)
Animal control	40	8	–	(32)
<b>Total public order and safety</b>	<b>592</b>	<b>58</b>	<b>–</b>	<b>(534)</b>
<b>Health</b>	<b>98</b>	<b>26</b>	<b>–</b>	<b>(72)</b>
<b>Environment</b>				
Noxious plants and insect/vermin control	88	29	–	(59)
Solid waste management	2,009	1,024	12	(973)
Street cleaning	75	–	–	(75)
Stormwater management	139	65	1	(73)
<b>Total environment</b>	<b>2,311</b>	<b>1,118</b>	<b>13</b>	<b>(1,180)</b>
<b>Community services and education</b>				
Administration and education	48	7	8	(33)
Children's services	2	1	–	(1)
<b>Total community services and education</b>	<b>50</b>	<b>8</b>	<b>8</b>	<b>(34)</b>
<b>Housing and community amenities</b>				
Public cemeteries	117	101	–	(16)
Public conveniences	114	–	115	1
Street lighting	129	26	–	(103)
Town planning	434	171	–	(263)
Other community amenities	88	23	–	(65)
<b>Total housing and community amenities</b>	<b>882</b>	<b>321</b>	<b>115</b>	<b>(446)</b>
<b>Water supplies</b>	<b>1,741</b>	<b>1,910</b>	<b>1,876</b>	<b>2,045</b>
<b>Sewerage services</b>	<b>1,878</b>	<b>1,971</b>	<b>16</b>	<b>109</b>

## Tenterfield Shire Council

Special Schedule 1 – Net Cost of Services (continued)  
for the year ended 30 June 2017

\$'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	496	40	8	(448)
Community centres and halls	554	8	–	(546)
Performing arts venues	231	131	–	(100)
Sporting grounds and venues	98	(46)	–	(144)
Swimming pools	234	37	–	(197)
Parks and gardens (lakes)	591	4	–	(587)
<b>Total recreation and culture</b>	<b>2,204</b>	<b>174</b>	<b>8</b>	<b>(2,022)</b>
<b>Mining, manufacturing and construction</b>				
Building control	311	75	–	(236)
<b>Total mining, manufacturing and const.</b>	<b>311</b>	<b>75</b>	<b>–</b>	<b>(236)</b>
<b>Transport and communication</b>				
Urban roads (UR) – local	933	–	1,941	1,008
Sealed rural roads (SRR) – local	1,476	1,234	–	(242)
Sealed rural roads (SRR) – regional	113	419	–	306
Unsealed rural roads (URR) – local	3,192	2,418	–	(774)
Unsealed rural roads (URR) – regional	208	122	–	(86)
Bridges on UR – local	5	–	–	(5)
Bridges on SRR – local	266	–	–	(266)
Bridges on URR – local	828	–	97	(731)
Bridges on regional roads	42	–	175	133
Footpaths	48	–	3	(45)
Aerodromes	45	–	–	(45)
Other transport and communication	119	47	–	(72)
<b>Total transport and communication</b>	<b>7,275</b>	<b>4,240</b>	<b>2,216</b>	<b>(819)</b>
<b>Economic affairs</b>				
Other economic affairs	815	386	–	(429)
<b>Total economic affairs</b>	<b>815</b>	<b>386</b>	<b>–</b>	<b>(429)</b>
<b>Totals – functions</b>	<b>18,441</b>	<b>10,998</b>	<b>4,252</b>	<b>(3,191)</b>
<b>General purpose revenues</b> <sup>(1)</sup>		<b>10,610</b>		<b>10,610</b>
<b>NET OPERATING RESULT</b> <sup>(2)</sup>	<b>18,441</b>	<b>21,608</b>	<b>4,252</b>	<b>7,419</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 2017

\$'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	–	–	–							–	–
NSW Treasury Corporation	–	–	–							–	–
Other State Government	–	–	–							–	–
Public subscription	–	–	–							–	–
Financial institutions	494	4,595	<b>5,089</b>	–	494	–	–	289	448	4,147	<b>4,595</b>
Other	–	–	–							–	–
<b>Total loans</b>	<b>494</b>	<b>4,595</b>	<b>5,089</b>	<b>–</b>	<b>494</b>	<b>–</b>	<b>–</b>	<b>289</b>	<b>448</b>	<b>4,147</b>	<b>4,595</b>
<b>Other long term debt</b>											
Ratepayers advances	–	–	–							–	–
Government advances	–	–	–							–	–
Finance leases	–	–	–							–	–
Deferred payments	–	–	–							–	–
<b>Total long term debt</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total debt</b>	<b>494</b>	<b>4,595</b>	<b>5,089</b>	<b>–</b>	<b>494</b>	<b>–</b>	<b>–</b>	<b>289</b>	<b>448</b>	<b>4,147</b>	<b>4,595</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 2017

\$'000	Actuals 2017	Actuals 2016
<b>A Expenses and income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	397	407
b. Engineering and supervision	105	65
<b>2. Operation and maintenance expenses</b>		
– <b>dams and weirs</b>		
a. Operation expenses	21	8
b. Maintenance expenses	–	–
– <b>Mains</b>		
c. Operation expenses	150	170
d. Maintenance expenses	–	–
– <b>Reservoirs</b>		
e. Operation expenses	2	6
f. Maintenance expenses	–	–
– <b>Pumping stations</b>		
g. Operation expenses (excluding energy costs)	10	33
h. Energy costs	19	28
i. Maintenance expenses	–	–
– <b>Treatment</b>		
j. Operation expenses (excluding chemical costs)	301	268
k. Chemical costs	100	79
l. Maintenance expenses	–	–
– <b>Other</b>		
m. Operation expenses	9	15
n. Maintenance expenses	–	–
o. Purchase of water	48	42
<b>3. Depreciation expenses</b>		
a. System assets	552	520
b. Plant and equipment	4	7
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	20	21
b. Revaluation decrements	–	–
c. Other expenses	13	24
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>1,751</b>	<b>1,693</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 2017

\$'000	Actuals 2017	Actuals 2016
<b>Income</b>		
<b>6. Residential charges</b>		
a. Access (including rates)	684	761
b. Usage charges	751	595
<b>7. Non-residential charges</b>		
a. Access (including rates)	129	142
b. Usage charges	214	150
<b>8. Extra charges</b>	–	–
<b>9. Interest income</b>	26	47
<b>10. Other income</b>	10	13
<b>10a. Aboriginal Communities Water and Sewerage Program</b>	–	–
<b>11. Grants</b>		
a. Grants for acquisition of assets	1,864	398
b. Grants for pensioner rebates	29	28
c. Other grants	–	–
<b>12. Contributions</b>		
a. Developer charges	12	16
b. Developer provided assets	–	–
c. Other contributions	77	98
<b>13. Total income</b>	<b>3,796</b>	<b>2,248</b>
<b>14. Gain (or loss) on disposal of assets</b>	–	–
<b>15. Operating result</b>	<b>2,045</b>	<b>555</b>
<b>15a. Operating result (less grants for acquisition of assets)</b>	181	157

## 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 2017

\$'000	Actuals 2017	Actuals 2016
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>16. Acquisition of fixed assets</b>		
a. New assets for improved standards	4	19
b. New assets for growth	–	–
c. Renewals	2,252	654
d. Plant and equipment	–	21
<b>17. Repayment of debt</b>	9	9
<b>18. Totals</b>	<b>2,265</b>	<b>703</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)	1,870	1,657
b. Residential (unoccupied, ie. vacant lot)	–	145
c. Non-residential (occupied)	313	306
d. Non-residential (unoccupied, ie. vacant lot)	–	–
<b>23. Number of ETs for which developer charges were received</b>	– ET	3 ET
<b>24. Total amount of pensioner rebates (actual dollars)</b>	\$ 52,450	\$ 52,000



## 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 2017

\$'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	–	–	–
<b>26. Receivables</b>			
a. Specific purpose grants	1,864	–	1,864
b. Rates and availability charges	55	–	55
c. User charges	457	–	457
d. Other	79	–	79
<b>27. Inventories</b>	–	–	–
<b>28. Property, plant and equipment</b>			
a. System assets	–	16,266	16,266
b. Plant and equipment	–	28	28
<b>29. Other assets</b>	–	–	–
<b>30. Total assets</b>	<b>2,455</b>	<b>16,294</b>	<b>18,749</b>
<b>LIABILITIES</b>			
<b>31. Bank overdraft</b>	32	–	32
<b>32. Creditors</b>	62	–	62
<b>33. Borrowings</b>	10	304	314
<b>34. Provisions</b>			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
<b>35. Total liabilities</b>	<b>104</b>	<b>304</b>	<b>408</b>
<b>36. NET ASSETS COMMITTED</b>	<b>2,351</b>	<b>15,990</b>	<b>18,341</b>
<b>EQUITY</b>			
<b>37. Accumulated surplus</b>			7,659
<b>38. Asset revaluation reserve</b>			10,682
<b>39. Other reserves</b>			–
<b>40. TOTAL EQUITY</b>			<b>18,341</b>
<b>Note to system assets:</b>			
<b>41. Current replacement cost</b> of system assets			46,825
<b>42. Accumulated current cost</b> depreciation of system assets			(30,559)
<b>43. Written down current cost</b> of system assets			<b>16,266</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 2017

\$'000	Actuals 2017	Actuals 2016
<b>A Expenses and income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	355	346
b. Engineering and supervision	89	80
<b>2. Operation and maintenance expenses</b>		
– mains		
a. Operation expenses	66	96
b. Maintenance expenses	–	–
– Pumping stations		
c. Operation expenses (excluding energy costs)	27	65
d. Energy costs	4	8
e. Maintenance expenses	–	–
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	242	211
g. Chemical costs	64	60
h. Energy costs	61	55
i. Effluent management	–	–
j. Biosolids management	10	22
k. Maintenance expenses	–	–
– Other		
l. Operation expenses	–	–
m. Maintenance expenses	–	–
<b>3. Depreciation expenses</b>		
a. System assets	783	754
b. Plant and equipment	–	–
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	165	170
b. Revaluation decrements	–	–
c. Other expenses	15	11
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>1,881</b>	<b>1,878</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 2017

\$'000	Actuals 2017	Actuals 2016
<b>Income</b>		
<b>6. Residential charges</b> (including rates)	1,476	1,391
<b>7. Non-residential charges</b>		
a. Access (including rates)	286	270
b. Usage charges	94	67
<b>8. Trade waste charges</b>		
a. Annual fees	8	8
b. Usage charges	24	24
c. Excess mass charges	–	–
d. Re-inspection fees	–	–
<b>9. Extra charges</b>	–	–
<b>10. Interest income</b>	40	35
<b>11. Other income</b>	19	19
<b>11a. Aboriginal Communities Water and Sewerage Program</b>	–	–
<b>12. Grants</b>		
a. Grants for acquisition of assets	–	–
b. Grants for pensioner rebates	26	25
c. Other grants	–	–
<b>13. Contributions</b>		
a. Developer charges	17	13
b. Developer provided assets	–	–
c. Other contributions	–	–
<b>14. Total income</b>	<u>1,990</u>	<u>1,852</u>
<b>15. Gain (or loss) on disposal of assets</b>	–	–
<b>16. Operating result</b>	<u>109</u>	<u>(26)</u>
<b>16a. Operating result (less grants for acquisition of assets)</b>	109	(26)

## 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 2017

\$'000	Actuals 2017	Actuals 2016
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>17. Acquisition of fixed assets</b>		
a. New assets for improved standards	10	144
b. New assets for growth	29	130
c. Renewals	155	155
d. Plant and equipment	–	–
<b>18. Repayment of debt</b>	64	58
<b>19. Totals</b>	<b>258</b>	<b>487</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)	1,657	1,432
b. Residential (unoccupied, ie. vacant lot)	–	93
c. Non-residential (occupied)	282	284
d. Non-residential (unoccupied, ie. vacant lot)	–	–
<b>24. Number of ETs for which developer charges were received</b>	– ET	2 ET
<b>25. Total amount of pensioner rebates (actual dollars)</b>	\$ 46,806	\$ 45,000

## 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 2017

\$'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	1,894	–	1,894
<b>27. Receivables</b>			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	110	–	110
c. User charges	62	–	62
d. Other	5	–	5
<b>28. Inventories</b>	–	–	–
<b>29. Property, plant and equipment</b>			
a. System assets	–	21,588	21,588
b. Plant and equipment	–	11	11
<b>30. Other assets</b>	–	–	–
<b>31. Total assets</b>	<u>2,071</u>	<u>21,599</u>	<u>23,670</u>
<b>LIABILITIES</b>			
<b>32. Bank overdraft</b>	–	–	–
<b>33. Creditors</b>	48	–	48
<b>34. Borrowings</b>	68	2,003	2,071
<b>35. Provisions</b>			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
<b>36. Total liabilities</b>	<u>116</u>	<u>2,003</u>	<u>2,119</u>
<b>37. NET ASSETS COMMITTED</b>	<u>1,955</u>	<u>19,596</u>	<u>21,551</u>
<b>EQUITY</b>			
<b>38. Accumulated surplus</b>			9,785
<b>39. Asset revaluation reserve</b>			11,766
<b>40. Other reserves</b>			–
<b>41. TOTAL EQUITY</b>			<u>21,551</u>
<b>Note to system assets:</b>			
<b>42. Current replacement cost</b> of system assets			31,701
<b>43. Accumulated current cost</b> depreciation of system assets			(10,113)
<b>44. Written down current cost</b> of system assets			<u>21,588</u>

## Tenterfield Shire Council

### Notes to Special Schedules 3 and 5

for the year ended 30 June 2017

#### 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 2017

\$'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	2016/17 Required maintenance <sup>a</sup>	2016/17 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
<b>Buildings</b>	Community Buildings	954	–	200	175	1,895	5,263	0%	82%	0%	18%	0%
	Community Residences	–	–	22	30	699	1,194	0%	100%	0%	0%	0%
	Community Centre	–	–	1	–	350	1,117	0%	100%	0%	0%	0%
	Animal Control	–	–	–	–	28	51	0%	100%	0%	0%	0%
	Waste	12	9	254	265	182	405	0%	50%	25%	0%	25%
	Emergency Services	–	–	150	100	213	368	100%	0%	0%	0%	0%
	Health	–	–	–	–	586	700	100%	0%	0%	0%	0%
	Communication Facilities	–	–	31	30	201	570	0%	100%	0%	0%	0%
	Parks & Gardens	–	–	7	4	209	426	0%	100%	0%	0%	0%
	Community Halls	–	–	83	77	5,122	12,932	37%	20%	27%	16%	0%
	Public Toilets	–	–	8	8	610	1,181	20%	40%	40%	0%	0%
	Saleyards	–	–	70	75	177	471	0%	66%	17%	17%	0%
	Sporting Facilities	–	–	–	–	914	2,045	78%	0%	22%	0%	0%
	Swimming Pool	–	–	3	–	110	682	0%	67%	33%	0%	0%
	Tourism	–	–	39	39	436	726	100%	0%	0%	0%	0%
	Museum	–	–	2	2	352	1,295	0%	100%	0%	0%	0%
	Works Depot	–	–	95	97	1,081	2,753	0%	50%	50%	0%	0%
Other	–	–	–	–	2	–	–	–	–	–	–	–
	<b>Sub-total</b>	<b>966</b>	<b>9</b>	<b>965</b>	<b>902</b>	<b>13,167</b>	<b>32,179</b>	<b>26.1%</b>	<b>44.7%</b>	<b>19.3%</b>	<b>9.6%</b>	<b>0.3%</b>
<b>Other structures</b>	Cemeteries	–	–	42	49	209	277	0%	0%	0%	0%	100%
	Communication Facilities	–	–	1	–	190	198	0%	0%	0%	0%	100%
	Saleyards	–	–	48	57	1,219	1,880	0%	0%	0%	0%	100%
	Waste	–	–	5	2	408	357	0%	0%	0%	0%	100%
	Other	–	–	–	–	291	364	0%	0%	0%	0%	100%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>96</b>	<b>108</b>	<b>2,317</b>	<b>3,076</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>

## Tenterfield Shire Council

## Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2017 (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	2016/17 Required maintenance <sup>a</sup>	2016/17 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
<b>Roads</b>	Roads	4,140	2,070	2,916	3,089	50,900	113,425	26%	20%	36%	14%	4%
	Bridges	1,843	922	178	205	42,336	42,336	27%	23%	35%	15%	0%
	Footpaths	32	12	18	7	1,955	1,955	5%	42%	42%	11%	0%
	Other road assets	798	399	127	106	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>6,813</b>	<b>3,403</b>	<b>3,239</b>	<b>3,407</b>	<b>274,300</b>	<b>361,515</b>	<b>52.3%</b>	<b>20.4%</b>	<b>18.2%</b>	<b>7.4%</b>	<b>1.7%</b>
<b>Water supply network</b>	Water Supply	6,674	3,337	652	612	14,448	44,140	29%	55%	1%	15%	0%
	<b>Sub-total</b>	<b>6,674</b>	<b>3,337</b>	<b>652</b>	<b>612</b>	<b>14,448</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>
<b>Sewerage network</b>	Mains	2,824	1,412	564	474	21,492	33,485	6%	77%	15%	2%	0%
	<b>Sub-total</b>	<b>2,824</b>	<b>1,412</b>	<b>564</b>	<b>474</b>	<b>21,492</b>	<b>33,485</b>	<b>6.0%</b>	<b>77.0%</b>	<b>15.0%</b>	<b>2.0%</b>	<b>0.0%</b>
<b>Stormwater drainage</b>	Stormwater drainage	631	3	286	315	4,502	9,114	29%	33%	7%	22%	9%
	<b>Sub-total</b>	<b>631</b>	<b>3</b>	<b>286</b>	<b>315</b>	<b>4,502</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>
<b>Open space/recreational assets</b>	Swimming pools	–	–	50	52	950	1,198	0%	8%	92%	0%	0%
	Open Space & Recreation	–	1	387	447	1,611	2,098	13%	60%	21%	6%	0%
	<b>Sub-total</b>	<b>–</b>	<b>1</b>	<b>437</b>	<b>499</b>	<b>2,561</b>	<b>3,296</b>	<b>8.3%</b>	<b>41.1%</b>	<b>46.8%</b>	<b>3.8%</b>	<b>0.0%</b>
<b>TOTAL – ALL ASSETS</b>		<b>17,908</b>	<b>8,165</b>	<b>6,239</b>	<b>6,317</b>	<b>332,787</b>	<b>486,805</b>	<b>44.2%</b>	<b>29.3%</b>	<b>16.4%</b>	<b>8.1%</b>	<b>2.1%</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 2017

\$ '000	Amounts	Indicator	Benchmark	Prior periods	
	2017	2017		2016	2015
<b>Infrastructure asset performance indicators * consolidated</b>					
<b>1. Infrastructure renewals ratio</b>					
Asset renewals <sup>(1)</sup>	<u>7,392</u>	<b>135.36%</b>	>= 100%	118.11%	149.35%
Depreciation, amortisation and impairment	<u>5,461</u>				
<b>2. Infrastructure backlog ratio</b>					
Estimated cost to bring assets to a satisfactory standard	<u>17,908</u>	<b>8.86%</b>	< 2.00%	5.60%	7.86%
Net carrying amount of infrastructure assets	<u>202,100</u>				
<b>3. Asset maintenance ratio</b>					
Actual asset maintenance	<u>6,317</u>	<b>1.01</b>	> 1.00	1.08	1.06
Required asset maintenance	<u>6,239</u>				
<b>4. Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	<u>8,165</u>	<b>1.68%</b>		2.38%	0.00%
Gross replacement cost	<u>486,805</u>				

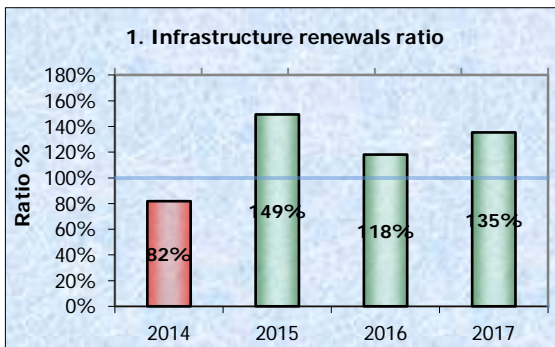
## Notes

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

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

# Tenterfield Shire Council

## Special Schedule 7 – Report on Infrastructure Assets (continued) for the year ended 30 June 2017



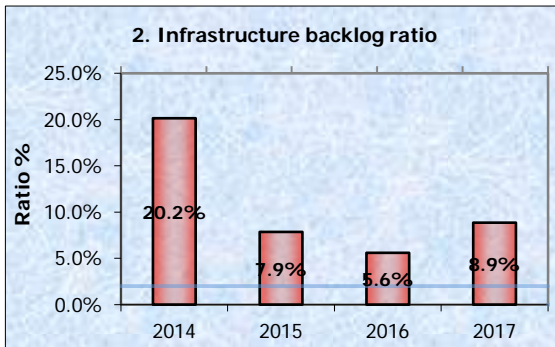
### Purpose of asset renewals ratio

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

**2016/17 Ratio 135.36%**

Benchmark: 100.00%  
Source for benchmark: Code of Accounting Practice and Financial Reporting #25

Ratio achieves benchmark  
Ratio is outside benchmark



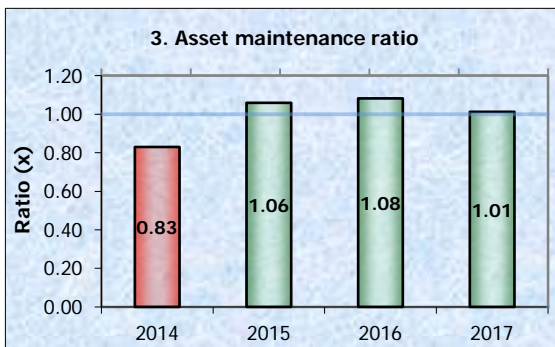
### Purpose of infrastructure backlog ratio

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

**2016/17 Ratio 8.86%**

Benchmark: 2.00%  
Source for benchmark: Code of Accounting Practice and Financial Reporting #25

Ratio achieves benchmark  
Ratio is outside benchmark



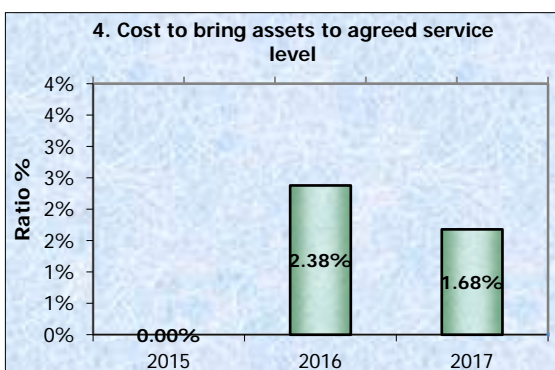
### Purpose of asset maintenance ratio

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

**2016/17 Ratio 1.01 x**

Benchmark: 1.00  
Source for benchmark: Code of Accounting Practice and Financial Reporting #25

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.

**2016/17 Ratio 1.68%**

## Tenterfield Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued)  
for the year ended 30 June 2017

\$ '000	Benchmark	Water 2017	Sewer 2017	General <sup>(1)</sup> 2017
<b>Infrastructure asset performance indicators by fund</b>				
<b>1. Infrastructure renewals ratio</b>				
Asset renewals <sup>(2)</sup>	>= 100%	<b>125.18%</b>	<b>20.82%</b>	<b>158.46%</b>
Depreciation, amortisation and impairment	prior period:	127.12%	39.66%	131.66%
<b>2. Infrastructure backlog ratio</b>				
Estimated cost to bring assets to a satisfactory standard	< 2.00%	<b>46.19%</b>	<b>13.14%</b>	<b>5.06%</b>
Net carrying amount of infrastructure assets	prior period:	19.54%	2.80%	4.64%
<b>3. Asset maintenance ratio</b>				
Actual asset maintenance	> 1.00	<b>0.94</b>	<b>0.84</b>	<b>1.04</b>
Required asset maintenance	prior period:	0.93	0.91	1.14
<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>7.56%</b>	<b>4.22%</b>	<b>0.83%</b>
Gross replacement cost	prior period:	7.24%	1.87%	1.90%

**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 2018

\$'000		Calculation 2016/17	Calculation 2017/18
<b>Notional general income calculation <sup>(1)</sup></b>			
Last year notional general income yield	a	3,572	3,959
Plus or minus adjustments <sup>(2)</sup>	b	(2)	(5)
<b>Notional general income</b>	c = (a + b)	<b>3,570</b>	<b>3,954</b>
<b>Permissible income calculation</b>			
Special variation percentage <sup>(3)</sup>	d	10.00%	10.00%
Or rate peg percentage	e	1.80%	1.50%
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)	357	395
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>3,927</b>	<b>4,349</b>
Plus (or minus) last year's carry forward total	l	22	(10)
Less valuation objections claimed in the previous year	m	–	–
<b>Sub-total</b>	n = (l + m)	<b>22</b>	<b>(10)</b>
<b>Total permissible income</b>	o = k + n	<b>3,949</b>	<b>4,340</b>
Less notional general income yield	p	3,959	4,365
<b>Catch-up or (excess) result</b>	q = o – p	<b>(10)</b>	<b>(25)</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>(10)</b>	<b>(25)</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.



## INDEPENDENT AUDITOR'S REPORT

### Special Schedule No. 8

### Tenterfield Shire Council

To the Councillors of Tenterfield Shire Council

### Opinion

I have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 8) of Tenterfield Shire Council (the Council) for the year ending 30 June 2018.

In my opinion, Special Schedule No. 8 of Tenterfield Shire Council for 30 June 2018 is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting (LG Code) issued by the Office of Local Government (OLG), and is in accordance with the books and records of the Council.

My opinion should be read in conjunction with the rest of this report, and in particular the Emphasis of Matter paragraph, which describes the basis of accounting.

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of Special Schedule No.8' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Emphasis of Matter - Basis of Accounting**

Without modifying my opinion, I draw attention to the notes and explanations in Special Schedule No. 8 that instruct councils in its preparation so it complies with OLG's requirements as described in the LG Code. As a result, Special Schedule No. 8 may not be suitable for another purpose.

## **Other Matter**

Special Schedule No.8 of the Council for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on Special Schedule No. 8 on 26 October 2016.

## **Councillors' Responsibility for Special Schedule No. 8**

The Councillors of the Council are responsible for the preparation of Special Schedule No. 8 in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of Special Schedule No. 8 that is free from material misstatement, whether due to fraud or error.

In preparing Special Schedule No.8, the Councillors must assess the Council's ability to continue as a going concern except where the Council will be dissolved or amalgamated by an Act of Parliament. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

## **Auditor's Responsibility for the Audit of Special Schedule No. 8**

My objectives are to:

- obtain reasonable assurance whether Special Schedule No. 8 as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on Special Schedule No.8.

A description of my responsibilities for the audit of Special Schedule No.8 is located at the Auditing and Assurance Standards Board website at [http://www.auasb.gov.au/auditors\\_responsibilities/ar8.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf). The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Special Schedule No.8 on any website where they may be presented
- about any other information which may have been hyperlinked to/from Special Schedule No 8.



Steven Martin  
Assistant Auditor-General, Financial Audit Services

28 November 2017  
SYDNEY