

Berrigan Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2016

“Heart of the Southern Riverina”



Berrigan Shire Council

Special Schedules for the year ended 30 June 2016

Contents		Page
Special Schedules¹		
Special Schedule 1	Net Cost of Services	2
Special Schedule 2(a)	Statement of Long Term Debt (all purposes)	4
Special Schedule 2(b)	Statement of Internal Loans (Sect. 410(3) LGA 1993)	5
Special Schedule 3	Water Supply Operations – incl. Income Statement	6
Special Schedule 4	Water Supply – Statement of Financial Position	9
Special Schedule 5	Sewerage Service Operations – incl. Income Statement	10
Special Schedule 6	Sewerage Service – Statement of Financial Position	13
Notes to Special Schedules 3 and 5		14
Special Schedule 7	Report on Infrastructure Assets	15
Special Schedule 8	Permissible Income Calculation	20

¹ 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.

Berrigan 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	
Governance	419	2	–	(417)
Administration	(359)	334	–	693
Public order and safety				
Fire service levy, fire protection, emergency services	265	94	–	(171)
Beach control	–	–	–	–
Enforcement of local government regulations	–	–	–	–
Animal control	107	22	–	(85)
Other	–	–	–	–
Total public order and safety	372	116	–	(256)
Health	105	3	–	(102)
Environment				
Noxious plants and insect/vermin control	131	6	–	(125)
Other environmental protection	44	–	–	(44)
Solid waste management	1,041	1,309	–	268
Street cleaning	247	–	–	(247)
Drainage	–	–	–	–
Stormwater management	752	119	519	(114)
Total environment	2,215	1,434	519	(262)
Community services and education				
Administration and education	13	3	–	(10)
Social protection (welfare)	–	–	–	–
Aged persons and disabled	286	25	–	(261)
Children's services	219	254	–	35
Total community services and education	518	282	–	(236)
Housing and community amenities				
Public cemeteries	158	103	–	(55)
Public conveniences	224	–	–	(224)
Street lighting	133	55	–	(78)
Town planning	462	278	–	(184)
Other community amenities	50	14	–	(36)
Total housing and community amenities	1,027	450	–	(577)
Water supplies	2,790	3,546	40	796
Sewerage services	1,788	2,053	5	270

Berrigan 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	
Recreation and culture				
Public libraries	579	43	8	(528)
Museums	–	–	–	–
Art galleries	–	–	–	–
Community centres and halls	204	–	–	(204)
Performing arts venues	–	–	–	–
Other performing arts	–	–	–	–
Other cultural services	25	1	–	(24)
Sporting grounds and venues	504	–	50	(454)
Swimming pools	417	96	–	(321)
Parks and gardens (lakes)	458	–	–	(458)
Other sport and recreation	–	–	–	–
Total recreation and culture	2,187	140	58	(1,989)
Fuel and energy	–	–	–	–
Agriculture	–	–	–	–
Mining, manufacturing and construction				
Building control	238	6	–	(232)
Other mining, manufacturing and construction	64	154	–	90
Total mining, manufacturing and const.	302	160	–	(142)
Transport and communication				
Urban roads (UR) – local	2,119	–	27	(2,092)
Urban roads – regional	–	–	–	–
Sealed rural roads (SRR) – local	1,672	–	–	(1,672)
Sealed rural roads (SRR) – regional	524	–	1,747	1,223
Unsealed rural roads (URR) – local	763	–	–	(763)
Unsealed rural roads (URR) – regional	–	–	–	–
Bridges on UR – local	–	–	–	–
Bridges on SRR – local	–	–	–	–
Bridges on URR – local	–	–	–	–
Bridges on regional roads	19	–	–	(19)
Parking areas	7	–	–	(7)
Footpaths	82	22	7	(53)
Aerodromes	285	22	296	33
Other transport and communication	357	3,040	(165)	2,518
Total transport and communication	5,828	3,084	1,912	(832)
Economic affairs				
Camping areas and caravan parks	28	29	–	1
Other economic affairs	785	245	52	(488)
Total economic affairs	813	274	52	(487)
Totals – functions	18,005	11,878	2,586	(3,541)
General purpose revenues ⁽¹⁾		9,423		9,423
Share of interests – joint ventures and associates using the equity method	–	–		–
NET OPERATING RESULT ⁽²⁾	18,005	21,301	2,586	5,882.16

(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

Berrigan 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
Loans (by source)											
Commonwealth government	–	–	–	–	–	–	–	–	–	–	–
Treasury corporation	–	–	–	–	–	–	–	–	–	–	–
Other state government	–	–	–	–	–	–	–	–	–	–	–
Public subscription	–	–	–	–	–	–	–	–	–	–	–
Financial institutions	261	1,551	1,812	–	262	–	–	77	253	1,297	1,550
Other	–	–	–	–	–	–	–	–	–	–	–
Total loans	261	1,551	1,812	–	262	–	–	77	253	1,297	1,550
Other long term debt											
Ratepayers advances	–	–	–	–	–	–	–	–	–	–	–
Government advances	–	–	–	–	–	–	–	–	–	–	–
Finance leases	–	–	–	–	–	–	–	–	–	–	–
Deferred payments	–	–	–	–	–	–	–	–	–	–	–
Total long term debt	–	–	–	–	–	–	–	–	–	–	–
Total debt	261	1,551	1,812	–	262	–	–	77	253	1,297	1,550

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).

Berrigan Shire Council

Special Schedule 2(b) – Statement of Internal Loans [Section 410(3) of the *Local Government Act* 1993]
for the year ended 30 June 2016

\$'000

Summary of internal loans

Borrower (by purpose)	Amount originally raised	Total repaid during the year (principal and interest)	Principal outstanding at end of year
General	1,197	180	111
Water			
Sewer			
Domestic waste management			
Gas			
Other			
Totals	1,197	180	111

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. and int.)	Principal outstanding at end of year
General (Stormwater)	Sewer	05/09/05	30/06/06	9	30/12/15	6.94%	597	42	–
General (Stormwater)	Sewer	06/07/04	31/12/06	9	30/12/16	6.94%	600	138	111
Totals							1,197	180	111

Berrigan 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
A Expenses and income		
Expenses		
1. Management expenses		
a. Administration	168	166
b. Engineering and supervision	249	249
2. Operation and maintenance expenses		
– dams and weirs		
a. Operation expenses	–	–
b. Maintenance expenses	–	–
– Mains		
c. Operation expenses	588	304
d. Maintenance expenses	–	–
– Reservoirs		
e. Operation expenses	–	–
f. Maintenance expenses	–	–
– Pumping stations		
g. Operation expenses (excluding energy costs)	88	86
h. Energy costs	18	18
i. Maintenance expenses	–	–
– Treatment		
j. Operation expenses (excluding chemical costs)	771	749
k. Chemical costs	–	–
l. Maintenance expenses	–	–
– Other		
m. Operation expenses	54	15
n. Maintenance expenses	–	–
o. Purchase of water	75	67
3. Depreciation expenses		
a. System assets	607	602
b. Plant and equipment	–	–
4. Miscellaneous expenses		
a. Interest expenses	12	20
b. Revaluation decrements	–	–
c. Other expenses	152	147
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
5. Total expenses	2,782	2,423

Berrigan 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
Income		
6. Residential charges		
a. Access (including rates)	1,613	1,508
b. Usage charges	1,098	1,005
7. Non-residential charges		
a. Access (including rates)	200	199
b. Usage charges	20	12
8. Extra charges	–	–
9. Interest income	179	117
10. Other income	390	343
10a. Aboriginal Communities Water and Sewerage Program	–	–
11. Grants		
a. Grants for acquisition of assets	–	–
b. Grants for pensioner rebates	46	47
c. Other grants	–	–
12. Contributions		
a. Developer charges	–	8
b. Developer provided assets	–	–
c. Other contributions	–	–
13. Total income	3,546	3,239
14. Gain (or loss) on disposal of assets	–	–
15. Operating result	764	816
15a. Operating result (less grants for acquisition of assets)	764	816

Berrigan 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 Capital transactions		
Non-operating expenditures		
16. Acquisition of fixed assets		
a. New assets for improved standards	–	–
b. New assets for growth	–	–
c. Renewals	197	146
d. Plant and equipment	–	–
17. Repayment of debt	–	–
18. Totals	197	146
Non-operating funds employed		
19. Proceeds from disposal of assets	–	–
20. Borrowing utilised	–	–
21. Totals	–	–
C Rates and charges		
22. Number of assessments		
a. Residential (occupied)	3,032	2,704
b. Residential (unoccupied, ie. vacant lot)	273	332
c. Non-residential (occupied)	336	521
d. Non-residential (unoccupied, ie. vacant lot)	54	54
23. Number of ETs for which developer charges were received	– ET	– ET
24. Total amount of pensioner rebates (actual dollars)	\$ 73,436	\$ 85,165

Berrigan 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
ASSETS			
25. Cash and investments			
a. Developer charges	–	–	–
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	6,415	–	6,415
26. Receivables			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	35	–	35
c. User charges	217	–	217
d. Other	–	–	–
27. Inventories	91	–	91
28. Property, plant and equipment			
a. System assets	–	26,336	26,336
b. Plant and equipment	–	–	–
29. Other assets	–	–	–
30. Total assets	<u>6,758</u>	<u>26,336</u>	<u>33,094</u>
LIABILITIES			
31. Bank overdraft	–	–	–
32. Creditors	5	–	5
33. Borrowings	111	–	111
34. Provisions			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
35. Total liabilities	<u>116</u>	<u>–</u>	<u>116</u>
36. NET ASSETS COMMITTED	<u>6,642</u>	<u>26,336</u>	<u>32,978</u>
EQUITY			
37. Accumulated surplus			21,926
38. Asset revaluation reserve			11,052
39. TOTAL EQUITY			<u>32,978</u>
Note to system assets:			
40. Current replacement cost of system assets			44,230
41. Accumulated current cost depreciation of system assets			(17,894)
42. Written down current cost of system assets			<u>26,336</u>

Berrigan 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
A Expenses and income		
Expenses		
1. Management expenses		
a. Administration	141	140
b. Engineering and supervision	211	211
2. Operation and maintenance expenses		
– mains		
a. Operation expenses	63	123
b. Maintenance expenses	–	–
– Pumping stations		
c. Operation expenses (excluding energy costs)	236	231
d. Energy costs	20	20
e. Maintenance expenses	–	–
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	343	365
g. Chemical costs	–	–
h. Energy costs	–	–
i. Effluent management	–	–
j. Biosolids management	–	–
k. Maintenance expenses	–	–
– Other		
l. Operation expenses	28	28
m. Maintenance expenses	–	–
3. Depreciation expenses		
a. System assets	569	594
b. Plant and equipment	–	–
4. Miscellaneous expenses		
a. Interest expenses	–	–
b. Revaluation decrements	–	–
c. Other expenses	188	170
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
5. Total expenses	1,799	1,882

Berrigan 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
Income		
6. Residential charges (including rates)	1,668	1,576
7. Non-residential charges		
a. Access (including rates)	120	116
b. Usage charges	47	24
8. Trade waste charges		
a. Annual fees	–	–
b. Usage charges	12	9
c. Excess mass charges	–	–
d. Re-inspection fees	–	–
9. Extra charges	–	–
10. Interest income	183	146
11. Other income	–	–
11a. Aboriginal Communities Water and Sewerage Program	–	–
12. Grants		
a. Grants for acquisition of assets	–	–
b. Grants for pensioner rebates	45	45
c. Other grants	–	–
13. Contributions		
a. Developer charges	5	–
b. Developer provided assets	–	–
c. Other contributions	–	–
14. Total income	<u>2,080</u>	<u>1,916</u>
15. Gain (or loss) on disposal of assets	–	–
16. Operating result	<u>281</u>	<u>34</u>
16a. Operating result (less grants for acquisition of assets)	281	34

Berrigan 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 Capital transactions		
Non-operating expenditures		
17. Acquisition of fixed assets		
a. New assets for improved standards	–	–
b. New assets for growth	–	–
c. Renewals	171	45
d. Plant and equipment	–	–
18. Repayment of debt	–	–
19. Totals	171	45
Non-operating funds employed		
20. Proceeds from disposal of assets	–	–
21. Borrowing utilised	–	–
22. Totals	–	–
C Rates and charges		
23. Number of assessments		
a. Residential (occupied)	2,840	2,735
b. Residential (unoccupied, ie. vacant lot)	273	274
c. Non-residential (occupied)	276	320
d. Non-residential (unoccupied, ie. vacant lot)	52	42
24. Number of ETs for which developer charges were received	– ET	– ET
25. Total amount of pensioner rebates (actual dollars)	\$ 71,786	\$ 82,649

Berrigan 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
ASSETS			
26. Cash and investments			
a. Developer charges	–	–	–
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	5,816	–	5,816
27. Receivables			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	–	–	–
c. User charges	79	–	79
d. Other	50	–	50
28. Inventories	4	–	4
29. Property, plant and equipment			
a. System assets	–	15,664	15,664
b. Plant and equipment	–	–	–
30. Other assets	–	–	–
31. Total assets	<u>5,949</u>	<u>15,664</u>	<u>21,613</u>
LIABILITIES			
32. Bank overdraft	–	–	–
33. Creditors	–	–	–
34. Borrowings	–	–	–
35. Provisions			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
36. Total liabilities	<u>–</u>	<u>–</u>	<u>–</u>
37. NET ASSETS COMMITTED	<u>5,949</u>	<u>15,664</u>	<u>21,613</u>
EQUITY			
38. Accumulated surplus			10,435
39. Asset revaluation reserve			11,178
40. TOTAL EQUITY			<u>21,613</u>
Note to system assets:			
41. Current replacement cost of system assets			38,741
42. Accumulated current cost depreciation of system assets			(23,077)
43. Written down current cost of system assets			<u>15,664</u>

Berrigan Shire Council

Notes to Special Schedules 3 and 5 for the year ended 30 June 2016

Administration ⁽¹⁾

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

- Administration staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- Meter reading
- Bad and doubtful debts
- Other administrative/corporate support services

Engineering and supervision ⁽¹⁾

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

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

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

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

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

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

Impairment losses (item 4d 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 ⁽²⁾ (items 6a, 6b and item 6 of Special Schedules 3 and 5 respectively) include all income from residential charges. Item 6 of Schedule 3 should be separated into 6a access charges (including rates if applicable) and 6b usage charges.

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

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

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

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

Notes:

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

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

Berrigan 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 ^a	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
Buildings	Buildings – non-specialised			30	30	528	774	33%	67%	0%	0%	0%
	Buildings – specialised			141	252	18,071	37,170	55%	27%	18%	0%	0%
	Sub-total	–	–	171	282	18,599	37,944	54.6%	27.8%	17.6%	0.0%	0.0%
Roads	Sealed roads			812	1,048	88,587	119,819	98%	1%	1%	0%	0%
	Unsealed roads			564	554	11,462	34,911	96%	2%	0%	2%	0%
	Bridges			20	20	3,727	7,032	0%	100%	0%	0%	0%
	Footpaths			15	13	3,095	4,141	0%	18%	82%	0%	0%
	Other road assets			60	60	8,729	13,197	0%	25%	75%	0%	0%
	Bulk earthworks			10	10	2,976	2,976	10%	80%	10%	0%	0%
	Sub-total	–	–	1,481	1,705	118,576	182,076	83.1%	8.4%	8.1%	0.4%	0.0%
Water supply network	Water supply network			703	560	25,602	43,342	54%	46%	0%	0%	0%
	Sub-total	–	–	703	560	25,602	43,342	54.0%	46.0%	0.0%	0.0%	0.0%
Sewerage network	Sewerage network			643	617	14,829	37,737	0%	80%	20%	0%	0%
	Sub-total	–	–	643	617	14,829	37,737	0.0%	80.0%	20.0%	0.0%	0.0%

Berrigan 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 ^a	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
Stormwater drainage	Stormwater drainage			97	118	16,265	20,477	10%	90%	0%	0%	0%
	Sub-total	–	–	97	118	16,265	20,477	10.0%	90.0%	0.0%	0.0%	0.0%
Open space/recreational assets	Swimming pools			15	8	1,675	2,900	10%	80%	10%	0%	0%
	Other			376	376	3,626	7,329	10%	85%	5%	0%	0%
	Sub-total	–	–	391	384	5,301	10,229	10.0%	83.6%	6.4%	0.0%	0.0%
	TOTAL – ALL ASSETS	–	–	3,486	3,666	199,172	331,805	59.8%	31.0%	8.9%	0.2%	0.0%

Notes:

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

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

Berrigan Shire Council

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

\$ '000	Amounts 2016	Indicator 2016	Prior periods	
			2015	2014
Infrastructure asset performance indicators * consolidated				
1. Infrastructure renewals ratio				
Asset renewals ⁽¹⁾	<u>6,243</u>	140.51%	109.17%	76.54%
Depreciation, amortisation and impairment	<u>4,443</u>			
2. Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard	<u>–</u>	0.00%	0.00%	2.17%
Carrying value of infrastructure assets	<u>196,694</u>			
3. Asset maintenance ratio				
Actual asset maintenance	<u>3,666</u>	1.05	1.00	1.00
Required asset maintenance	<u>3,486</u>			
4. Capital expenditure ratio				
Annual capital expenditure	<u>8,988</u>	1.56	0.92	1.24
Annual depreciation	<u>5,758</u>			

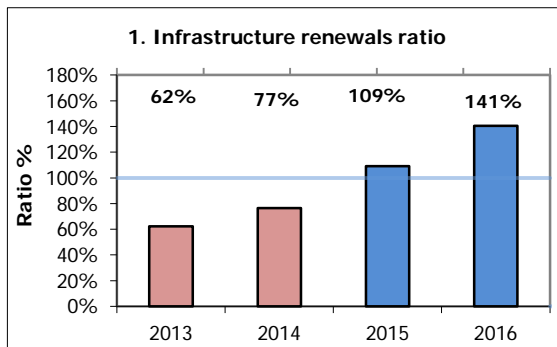
Notes

* 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.

Berrigan Shire Council

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



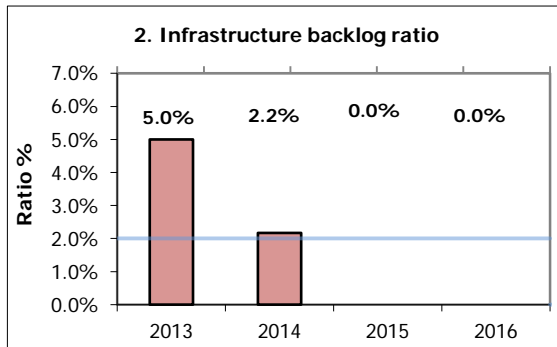
Purpose of asset renewals ratio

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	140.51%
Council continues to invest in maintaining and renewing assets.	

Benchmark: — Minimum $\geq 100.00\%$
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

■ Ratio achieves benchmark
■ Ratio is outside benchmark



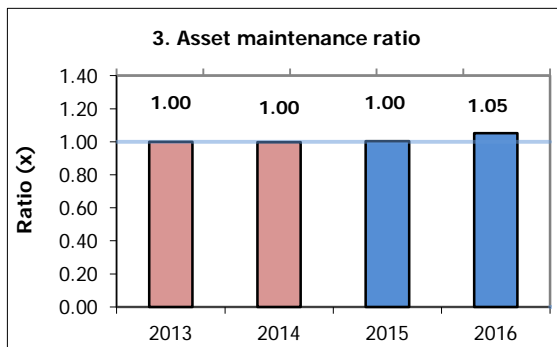
Purpose of infrastructure backlog ratio

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

Commentary on 2015/16 result	
2015/16 Ratio	0.00%
Council has no unfunded infrastructure backlog.	

Benchmark: — Maximum $< 2.00\%$
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

■ Ratio achieves benchmark
■ Ratio is outside benchmark



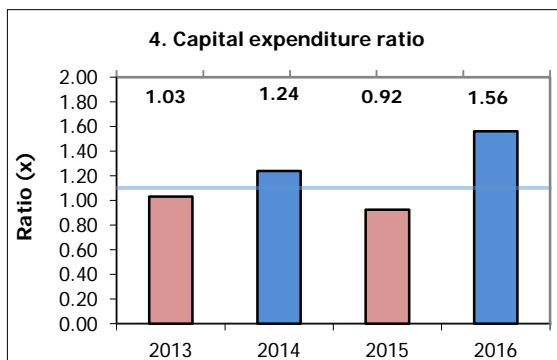
Purpose of asset maintenance ratio

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

Commentary on 2015/16 result	
2015/16 Ratio	1.05 x
Council continues to maintain its assets.	

Benchmark: — Minimum > 1.00
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

■ Ratio achieves benchmark
■ Ratio is outside benchmark



Purpose of capital expenditure ratio

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

Commentary on 2015/16 result	
2015/16 Ratio	1.56 x
Due to the revaluation of assets in 2015 depreciation was higher than anticipated.	

Benchmark: — Minimum > 1.10
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

■ Ratio achieves benchmark
■ Ratio is outside benchmark

Berrigan Shire Council

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

\$ '000	Water 2016	Sewer 2016	General ⁽¹⁾ 2016
Infrastructure asset performance indicators by fund			
1. Infrastructure renewals ratio			
<u>Asset renewals ⁽²⁾</u>	32.72%	30.81%	178.79%
Depreciation, amortisation and impairment			
prior period:	51.17%	39.37%	127.82%
2. Infrastructure backlog ratio			
<u>Estimated cost to bring assets to a satisfactory standard</u>	0.00%	0.00%	0.00%
Carrying value of infrastructure assets			
prior period:	0.00%	0.00%	0.00%
3. Asset maintenance ratio			
<u>Actual asset maintenance</u>	0.80	0.96	1.16
Required asset maintenance			
prior period:	0.97	1.01	1.03
4. Capital expenditure ratio			
<u>Annual capital expenditure</u>	0.32	0.30	1.88
Annual depreciation			
prior period:	0.24	0.08	1.12

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.

Berrigan Shire Council

Special Schedule 8 – Permissible Income Calculation

for the year ended 30 June 2017

\$'000		Calculation 2015/16	Calculation 2016/17
Notional general income calculation ⁽¹⁾			
Last year notional general income yield	a	4,709	4,840
Plus or minus adjustments ⁽²⁾	b	17	13
Notional general income	c = (a + b)	4,726	4,853
Permissible income calculation			
Special variation percentage ⁽³⁾	d	0.00%	0.00%
Or rate peg percentage	e	2.40%	1.80%
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	113	87
Or plus Crown land adjustment and rate peg amount	j = c x f	–	–
Sub-total	k = (c + g + h + i + j)	4,839	4,940
Plus (or minus) last year's carry forward total	l	1	(0)
Less valuation objections claimed in the previous year	m	(1)	–
Sub-total	n = (l + m)	0	(0)
Total permissible income	o = k + n	4,840	4,940
Less notional general income yield	p	4,840	4,940
Catch-up or (excess) result	q = o – p	(0)	0
Plus income lost due to valuation objections claimed ⁽⁴⁾	r	–	–
Less unused catch-up ⁽⁵⁾	s	–	–
Carry forward to next year	t = q + r – s	(0)	0

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.