

Byron Shire Council

SPECIAL SCHEDULES

for the year ended 30 June 2017

"Byron Shire...a thriving and vibrant
community
where residents and visitors can live, work
and play in a sustainable environment"



Byron Shire Council

Special Schedules

for the year ended 30 June 2017

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)	n/a
Special Schedule 3	Water Supply Operations – incl. Income Statement	5
Special Schedule 4	Water Supply – Statement of Financial Position	8
Special Schedule 5	Sewerage Service Operations – incl. Income Statement	9
Special Schedule 6	Sewerage Service – Statement of Financial Position	12
Notes to Special Schedules 3 and 5		13
Special Schedule 7	Report on Infrastructure Assets	14
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.

Byron 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	
Governance	1,471	104	–	(1,367)
Administration	867	627	–	(240)
Public order and safety				
Fire service levy, fire protection, emergency services	833	266	–	(567)
Beach control	619	114	–	(505)
Enforcement of local government regulations	1,105	1,327	–	222
Animal control	57	44	–	(13)
Other	30	50	–	20
Total public order and safety	2,644	1,801	–	(843)
Health	990	471	–	(519)
Environment				
Noxious plants and insect/vermin control	90	–	–	(90)
Other environmental protection	439	151	–	(288)
Solid waste management	6,690	7,479	39	828
Street cleaning	254	–	–	(254)
Drainage	1,040	–	1,812	772
Stormwater management	56	288	–	232
Total environment	8,569	7,918	1,852	1,201
Community services and education				
Administration and education	402	–	–	(402)
Social protection (welfare)	613	45	–	(568)
Aged persons and disabled	48	1	–	(47)
Children's services	2,791	1,878	–	(913)
Total community services and education	3,854	1,924	–	(1,930)
Housing and community amenities				
Public cemeteries	213	214	14	15
Public conveniences	551	–	–	(551)
Street lighting	289	2	50	(237)
Town planning	5,372	1,814	1,799	(1,759)
Other community amenities	41	(42)	–	(83)
Total housing and community amenities	6,466	1,988	1,863	(2,615)
Water supplies	8,415	9,564	1,076	2,225
Sewerage services	14,592	15,508	3,753	4,669

Byron 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	
Recreation and culture				
Public libraries	1,909	98	–	(1,811)
Museums	–	–	–	–
Art galleries	–	–	–	–
Community centres and halls	733	338	–	(395)
Performing arts venues	–	–	–	–
Other performing arts	–	–	–	–
Other cultural services	–	–	–	–
Sporting grounds and venues	1,850	379	–	(1,471)
Swimming pools	735	289	–	(446)
Parks and gardens (lakes)	3,540	148	314	(3,078)
Other sport and recreation	535	123	5	(407)
Total recreation and culture	9,302	1,375	319	(7,608)
Fuel and energy	–	–	–	–
Agriculture	–	–	–	–
Mining, manufacturing and construction				
Building control	943	1,347	–	404
Other mining, manufacturing and construction	389	–	–	(389)
Total mining, manufacturing and const.	1,332	1,347	–	15
Transport and communication				
Urban roads (UR) – local	6,306	–	5,443	(863)
Urban roads – regional	10	–	–	(10)
Sealed rural roads (SRR) – local	4,794	3,414	4,335	2,955
Sealed rural roads (SRR) – regional	1,107	648	–	(459)
Unsealed rural roads (URR) – local	786	–	–	(786)
Unsealed rural roads (URR) – regional	–	–	–	–
Bridges on UR – local	74	–	–	(74)
Bridges on SRR – local	273	–	–	(273)
Bridges on URR – local	–	–	–	–
Bridges on regional roads	159	–	–	(159)
Parking areas	1,180	3,518	–	2,338
Footpaths	146	126	–	(20)
Aerodromes	131	136	–	5
Other transport and communication	8	122	76	190
Total transport and communication	14,974	7,964	9,854	2,844
Economic affairs				
Camping areas and caravan parks	3,463	4,523	–	1,060
Other economic affairs	1,045	442	50	(553)
Total economic affairs	4,508	4,965	50	507
Totals – functions	77,983	55,556	18,767	(3,661)
General purpose revenues ⁽¹⁾		24,835		24,835
Share of interests – joint ventures and associates using the equity method	–	–	–	–
NET OPERATING RESULT ⁽²⁾	77,983	80,391	18,767	21,174

(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

Byron 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
Loans (by source)											
Commonwealth Government	–	–	–							–	–
NSW Treasury Corporation	–	–	–							–	–
Other State Government	–	–	–							–	–
Public subscription	–	–	–							–	–
Financial institutions	2,592	60,128	62,720	–	2,592	–	–	4,493	2,555	57,573	60,128
Other	–	–	–							–	–
Total loans	2,592	60,128	62,720	–	2,592	–	–	4,493	2,555	57,573	60,128
Other long term debt											
Ratepayers advances	–	–	–							–	–
Government advances	–	–	–							–	–
Finance leases	–	–	–							–	–
Deferred payments	–	–	–							–	–
Total long term debt	–	–	–	–	–	–	–	–	–	–	–
Total debt	2,592	60,128	62,720	–	2,592	–	–	4,493	2,555	57,573	60,128

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).

Byron 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
A Expenses and income		
Expenses		
1. Management expenses		
a. Administration	1,474	1,358
b. Engineering and supervision	153	206
2. Operation and maintenance expenses		
– dams and weirs		
a. Operation expenses	–	–
b. Maintenance expenses	–	–
– Mains		
c. Operation expenses	322	303
d. Maintenance expenses	425	319
– Reservoirs		
e. Operation expenses	144	213
f. Maintenance expenses	–	11
– Pumping stations		
g. Operation expenses (excluding energy costs)	–	–
h. Energy costs	–	–
i. Maintenance expenses	–	–
– Treatment		
j. Operation expenses (excluding chemical costs)	203	173
k. Chemical costs	61	53
l. Maintenance expenses	21	17
– Other		
m. Operation expenses	282	331
n. Maintenance expenses	–	–
o. Purchase of water	3,903	3,780
3. Depreciation expenses		
a. System assets	1,209	1,238
b. Plant and equipment	–	–
4. Miscellaneous expenses		
a. Interest expenses	–	–
b. Revaluation decrements	–	–
c. Other expenses	220	442
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	28	27
5. Total expenses	8,445	8,471

Byron 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
Income		
6. Residential charges		
a. Access (including rates)	1,765	1,695
b. Usage charges	4,620	4,133
7. Non-residential charges		
a. Access (including rates)	491	480
b. Usage charges	2,094	1,887
8. Extra charges	22	21
9. Interest income	388	308
10. Other income	317	291
10a. Aboriginal Communities Water and Sewerage Program	–	–
11. Grants		
a. Grants for acquisition of assets	–	–
b. Grants for pensioner rebates	72	89
c. Other grants	1	5
12. Contributions		
a. Developer charges	877	1,117
b. Developer provided assets	199	119
c. Other contributions	–	–
13. Total income	10,846	10,145
14. Gain (or loss) on disposal of assets	(48)	–
15. Operating result	2,353	1,674
15a. Operating result (less grants for acquisition of assets)	2,353	1,674

Byron 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 Capital transactions		
Non-operating expenditures		
16. Acquisition of fixed assets		
a. New assets for improved standards	–	–
b. New assets for growth	–	–
c. Renewals	578	2,787
d. Plant and equipment	–	–
17. Repayment of debt	–	–
18. Totals	<u>578</u>	<u>2,787</u>
Non-operating funds employed		
19. Proceeds from disposal of assets	–	–
20. Borrowing utilised	–	–
21. Totals	<u>–</u>	<u>–</u>
C Rates and charges		
22. Number of assessments		
a. Residential (occupied)	10,317	10,125
b. Residential (unoccupied, ie. vacant lot)	155	166
c. Non-residential (occupied)	1,521	1,523
d. Non-residential (unoccupied, ie. vacant lot)	39	35
23. Number of ETs for which developer charges were received	– ET	– ET
24. Total amount of pensioner rebates (actual dollars)	\$ 147,203	\$ 145,866

Byron 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
ASSETS			
25. Cash and investments			
a. Developer charges	6,692	–	6,692
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	4,954	–	4,954
26. Receivables			
a. Specific purpose grants	2	–	2
b. Rates and availability charges	87	–	87
c. User charges	1,943	–	1,943
d. Other	–	–	–
27. Inventories	–	–	–
28. Property, plant and equipment			
a. System assets	–	–	–
b. Plant and equipment	–	71,244	71,244
29. Other assets	–	–	–
30. Total assets	13,678	71,244	84,922
LIABILITIES			
31. Bank overdraft	–	–	–
32. Creditors	–	–	–
33. Borrowings	–	–	–
34. Provisions			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
35. Total liabilities	–	–	–
36. NET ASSETS COMMITTED	13,678	71,244	84,922
EQUITY			
37. Accumulated surplus			41,556
38. Asset revaluation reserve			43,366
39. Other reserves			–
40. TOTAL EQUITY			84,922
Note to system assets:			
41. Current replacement cost of system assets			–
42. Accumulated current cost depreciation of system assets			–
43. Written down current cost of system assets			–

Byron 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
A Expenses and income		
Expenses		
1. Management expenses		
a. Administration	1,730	1,528
b. Engineering and supervision	160	202
2. Operation and maintenance expenses		
– mains		
a. Operation expenses	819	844
b. Maintenance expenses	471	278
– Pumping stations		
c. Operation expenses (excluding energy costs)	335	395
d. Energy costs	334	311
e. Maintenance expenses	676	570
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	1,374	1,415
g. Chemical costs	430	423
h. Energy costs	399	388
i. Effluent management	128	133
j. Biosolids management	–	–
k. Maintenance expenses	545	565
– Other		
l. Operation expenses	108	169
m. Maintenance expenses	–	7
3. Depreciation expenses		
a. System assets	3,218	3,220
b. Plant and equipment	–	–
4. Miscellaneous expenses		
a. Interest expenses	3,476	3,792
b. Revaluation decrements	–	–
c. Other expenses	428	427
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	28	27
5. Total expenses	14,659	14,694

Byron 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
Income		
6. Residential charges (including rates)	11,340	10,667
7. Non-residential charges		
a. Access (including rates)	1,947	1,919
b. Usage charges	1,532	1,382
8. Trade waste charges		
a. Annual fees	63	61
b. Usage charges	237	198
c. Excess mass charges	61	31
d. Re-inspection fees	–	–
9. Extra charges	47	47
10. Interest income	285	248
11. Other income	135	139
11a. Aboriginal Communities Water and Sewerage Program	–	–
12. Grants		
a. Grants for acquisition of assets	–	–
b. Grants for pensioner rebates	76	80
c. Other grants	–	–
13. Contributions		
a. Developer charges	3,251	4,070
b. Developer provided assets	503	631
c. Other contributions	–	–
14. Total income	<u>19,477</u>	<u>19,473</u>
15. Gain (or loss) on disposal of assets	(11)	–
16. Operating result	<u>4,807</u>	<u>4,779</u>
16a. Operating result (less grants for acquisition of assets)	4,807	4,779

Byron 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 Capital transactions		
Non-operating expenditures		
17. Acquisition of fixed assets		
a. New assets for improved standards	–	–
b. New assets for growth	–	–
c. Renewals	2,054	1,218
d. Plant and equipment	–	–
18. Repayment of debt	1,700	1,587
19. Totals	3,754	2,805
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)	9,604	9,444
b. Residential (unoccupied, ie. vacant lot)	324	311
c. Non-residential (occupied)	1,384	1,393
d. Non-residential (unoccupied, ie. vacant lot)	52	48
24. Number of ETs for which developer charges were received	– ET	– ET
25. Total amount of pensioner rebates (actual dollars)	\$ 142,244	\$ 140,630

Byron 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
ASSETS			
26. Cash and investments			
a. Developer charges	9,584	–	9,584
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	8,200	–	8,200
27. Receivables			
a. Specific purpose grants	2	–	2
b. Rates and availability charges	402	–	402
c. User charges	1,588	–	1,588
d. Other	–	–	–
28. Inventories	–	–	–
29. Property, plant and equipment			
a. System assets	–	–	–
b. Plant and equipment	–	127,045	127,045
30. Other assets	–	–	–
31. Total assets	<u>19,776</u>	<u>127,045</u>	<u>146,821</u>
LIABILITIES			
32. Bank overdraft	–	–	–
33. Creditors	207	–	207
34. Borrowings	1,700	44,471	46,171
35. Provisions			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
36. Total liabilities	<u>1,907</u>	<u>44,471</u>	<u>46,378</u>
37. NET ASSETS COMMITTED	<u>17,869</u>	<u>82,574</u>	<u>100,443</u>
EQUITY			
38. Accumulated surplus			88,450
39. Asset revaluation reserve			11,993
40. Other reserves			–
41. TOTAL EQUITY			<u>100,443</u>
Note to system assets:			
42. Current replacement cost of system assets			–
43. Accumulated current cost depreciation of system assets			–
44. Written down current cost of system assets			–

Byron Shire Council

Notes to Special Schedules 3 and 5 for the year ended 30 June 2017

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.

Byron 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 ^a	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
Buildings	Council Operations	–	–	273	241	13,201	14,931	4%	84%	10%	2%	0%
	Swimming Pool Buildings	187	187	–	–	838	931	9%	58%	32%	1%	0%
	Showground Buildings	–	–	–	–	1,531	1,937	6%	36%	45%	13%	0%
	Residential Leases	9	9	–	–	1,098	1,333	4%	22%	67%	7%	0%
	Recreation Buildings	115	115	–	–	3,912	5,755	4%	38%	53%	4%	1%
	Cavanbah Centre	–	–	23	31	5,168	5,416	100%	0%	0%	0%	0%
	Public Amenities	428	428	454	475	2,660	3,051	36%	28%	30%	5%	1%
	Emergency Services	49	49	–	–	1,130	1,262	23%	51%	22%	3%	1%
	Community Buildings	1,028	1,028	312	285	27,054	31,547	21%	43%	31%	5%	0%
	Commercial Leases	253	253	–	–	1,350	1,633	14%	52%	34%	0%	0%
	Holiday Parks	–	–	474	474	5,003	5,883	18%	62%	20%	0%	0%
Sub-total	2,069	2,069	1,536	1,506	62,945	73,679	21.4%	48.6%	26.2%	3.6%	0.1%	
Other structures	Other structures	378	378	10	14	1,917	2,190	31%	10%	36%	21%	2%
	Bus Shelters	–	–	4	5	124	200	19%	49%	5%	22%	5%
	Sub-total	378	378	14	19	2,041	2,390	30.0%	13.3%	33.4%	21.1%	2.3%

Byron 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 ^a	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
Roads	Sealed Roads	24,037	24,037	2,597	2,555	121,837	229,941	4%	19%	56%	12%	9%
	Unsealed Roads	1,045	1,045	589	389	2,679	3,911	8%	20%	33%	31%	8%
	Bridges	6,274	6,274	300	27	12,830	23,909	27%	7%	49%	17%	0%
	Footpaths	550	550	167	11	5,503	8,627	15%	35%	40%	10%	0%
	Kerb and gutter	–	–	100	2	17,312	23,973	0%	18%	18%	55%	9%
	Other road assets	–	–	–	–	238	238					100%
	Traffic Control Devices	–	–	10	1	40,124	59,748	28%	45%	23%	3%	1%
	Carparks	–	–	10	–	2,712	3,306	0%	22%	45%	11%	22%
	Roundabouts, Islands and Speed Humps	–	–	–	–	8,277	10,424					100%
	Sub-total	31,906	31,906	3,773	2,985	211,511	364,077	9.3%	22.3%	45.3%	13.5%	9.7%
Water supply network	Mains	–	–	729	729	48,507	79,162	36%	28%	34%	2%	0%
	Reservoirs	–	–	167	167	6,305	12,587	0%	85%	11%	0%	4%
	Pumping Stations	–	–	27	27	313	567	20%	58%	17%	4%	1%
	Treatment	–	–	213	213	3,465	5,124	0%	100%	0%	0%	0%
	Sub-total	–	–	1,136	1,136	58,590	97,440	29.4%	39.3%	29.1%	1.6%	0.5%
Sewerage network	Sewerage network	–	–	695	695	48,003	87,834	31%	35%	23%	11%	0%
	Pumping Stations	–	–	1,003	1,003	9,055	18,654	19%	26%	41%	11%	3%
	Treatment	–	–	2,788	2,788	54,715	69,370	49%	46%	5%	0%	0%
	Sub-total	–	–	4,486	4,486	111,772	175,858	36.8%	38.4%	17.8%	6.7%	0.3%

Byron 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 ^a	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
Stormwater drainage	Stormwater drainage	3,025	3,025	396	127	47,322	64,294	1%	15%	62%	20%	2%
	Sub-total	3,025	3,025	396	127	47,322	64,294	1.0%	15.0%	62.0%	20.0%	2.0%
Open space/recreational assets	Swimming pools	–	–	32	32	2,192	2,800	0%	100%	0%	0%	0%
	Fences	–	–	–	–	1,303	2,017	12%	36%	34%	16%	2%
	Lighting	157	157	2	2	2,313	2,977	17%	54%	23%	5%	0%
	Open Space Furniture	182	182	14	12	813	1,221	15%	31%	39%	12%	3%
	Other Structures	75	75	202	194	2,560	3,093	62%	19%	15%	4%	0%
	Park Active Areas	35	35	567	521	1,424	2,797	5%	20%	66%	4%	5%
	Park Equipment	196	196	6	5	1,040	1,745	24%	23%	40%	11%	2%
	Park Infrastructure	–	–	–	–	21	33	9%	24%	55%	6%	6%
	Park Passive Areas	–	–	–	–	204	413	8%	28%	38%	26%	0%
	Playgrounds	–	–	32	30	110	161	49%	10%	35%	4%	2%
	Other	–	–	–	–	292	292	0%	75%	25%	0%	0%
	Sub-total	645	645	854	796	12,273	17,550	20.0%	42.3%	29.5%	6.7%	1.5%
	TOTAL – ALL ASSETS	38,023	38,023	12,195	11,055	506,453	795,288	18.6%	30.2%	36.4%	10.0%	4.8%

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

Byron 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
Infrastructure asset performance indicators * consolidated					
1. Infrastructure renewals ratio					
Asset renewals ⁽¹⁾	<u>12,714</u>	108.04%	>= 100%	136.80%	37.46%
Depreciation, amortisation and impairment	<u>11,768</u>				
2. Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	<u>38,023</u>	7.90%	< 2.00%	7.92%	6.27%
Net carrying amount of infrastructure assets	<u>481,175</u>				
3. Asset maintenance ratio					
Actual asset maintenance	<u>11,055</u>	0.91	> 1.00	1.01	0.91
Required asset maintenance	<u>12,195</u>				
4. Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	<u>38,023</u>	4.78%		4.86%	3.90%
Gross replacement cost	<u>795,288</u>				

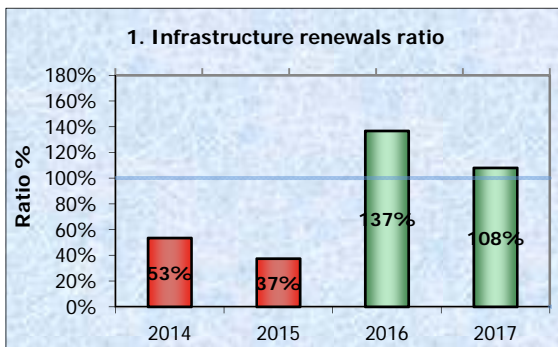
Notes

* 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.

Byron 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.

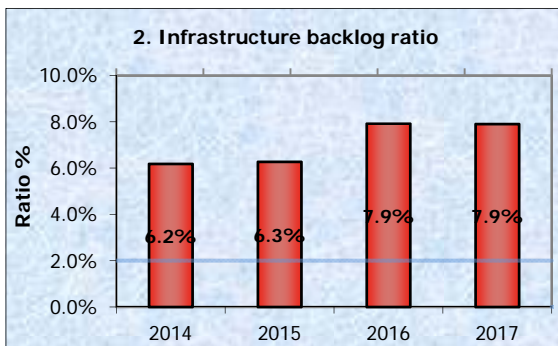
Commentary on 2016/17 result

2016/17 Ratio 108.04%

This ratio has decreased from 2015/16. Council is still above the benchmark due to a maintained higher level of capital works.

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.

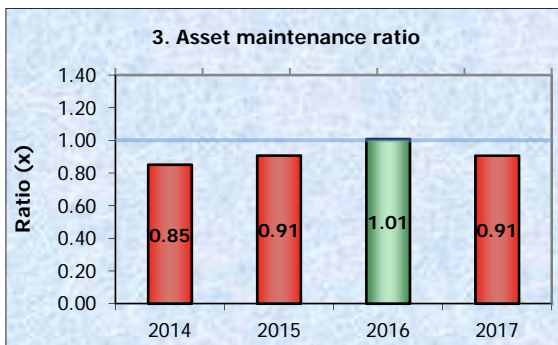
Commentary on 2016/17 result

2016/17 Ratio 7.90%

The infrastructure backlog has remained relatively constant in dollar terms but has decreased in percentage terms due to an increase in the net carrying value of infrastructure assets

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.

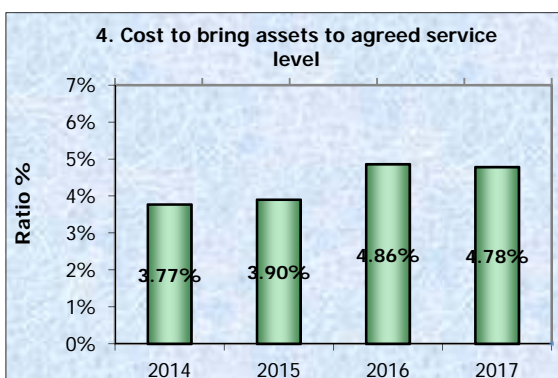
Commentary on 2016/17 result

2016/17 Ratio 0.91 x

The gap between required maintenance and actual maintenance has increased mainly against the stormwater and road assets. Although actual maintenance expenditure has gone up, required maintenance expenditure has also increased significantly based on assessment.

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.

Commentary on 2016/17 result

2016/17 Ratio 4.78%

This ratio has dropped slightly from 2016. Similar to the backlog ratio, the cost to bring to an agreed level of service remained about the same, but decreased due to the Gross Replacement Cost of infrastructure assets increasing.

Byron Shire Council

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

\$ '000	Benchmark	Water 2017	Sewer 2017	General ⁽¹⁾ 2017
Infrastructure asset performance indicators by fund				
1. Infrastructure renewals ratio				
Asset renewals ⁽²⁾	>= 100%	84.22%	63.63%	131.14%
Depreciation, amortisation and impairment	prior period:	229.01%	37.99%	165.88%
2. Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard	< 2.00%	0.00%	0.00%	12.23%
Net carrying amount of infrastructure assets	prior period:	0.00%	0.00%	12.69%
3. Asset maintenance ratio				
Actual asset maintenance	> 1.00	1.00	1.00	0.83
Required asset maintenance	prior period:	1.00	1.00	1.02
4. Cost to bring assets to agreed service level				
Estimated cost to bring assets to an agreed service level set by Council		0.00%	0.00%	7.28%
Gross replacement cost	prior period:	0.00%	0.00%	7.54%

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.

Byron Shire Council

Special Schedule 8 – Permissible Income Calculation

for the year ended 30 June 2018

\$'000		Calculation 2016/17	Calculation 2017/18
Notional general income calculation ⁽¹⁾			
Last year notional general income yield	a	19,307	19,642
Plus or minus adjustments ⁽²⁾	b	(8)	136
Notional general income	c = (a + b)	19,299	19,778
Permissible income calculation			
Special variation percentage ⁽³⁾	d	0.00%	7.50%
Or rate peg percentage	e	1.80%	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)	–	1,483
Or plus rate peg amount	i = c x e	347	–
Or plus Crown land adjustment and rate peg amount	j = c x f	–	–
Sub-total	k = (c + g + h + i + j)	19,646	21,261
Plus (or minus) last year's carry forward total	l	2	3
Less valuation objections claimed in the previous year	m	(2)	–
Sub-total	n = (l + m)	–	3
Total permissible income	o = k + n	19,646	21,264
Less notional general income yield	p	19,642	21,265
Catch-up or (excess) result	q = o – p	4	(1)
Plus income lost due to valuation objections claimed ⁽⁴⁾	r	–	7
Less unused catch-up ⁽⁵⁾	s	(1)	–
Carry forward to next year	t = q + r – s	3	6

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.

Byron Shire Council

Special Schedule 8 – Independent Auditors Report for the year ended 30 June 2018

Report on Special Schedule 8

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule 8) of Byron Shire Council for the year ending 30 June 2018.

Responsibility of Council for Special Schedule 8

The Council is responsible for the preparation and fair presentation of Special Schedule 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 to the preparation and fair presentation of Special Schedule 8 that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on Special Schedule 8 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether Special Schedule 8 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule 8. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Special Schedule 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 8.

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

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule 8 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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

Independence

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

Audit opinion

In our opinion, Special Schedule 8 of Byron Shire Council for 2017/18 is properly drawn up in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

Basis of accounting

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

FIRM NAME

Partner Name here...

Partner

Dated at Sydney this XXth day of XXXXXXXX, 2017