



New England Weeds Authority

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2012

**To be recognised as a leader in the weed
management and control industry by our
member Councils and the community.**



New England Weeds Authority

General Purpose Financial Statements for the financial year ended 30 June 2012

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Overview

- (i) These financial statements are General Purpose Financial Statements and cover the operations for New England Weeds Authority.
- (ii) New England Weeds Authority is a body politic of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.

Council's Statutory Charter is specified in Paragraph 8 of the LGA and includes;

- carrying out activities and providing goods, services & facilities appropriate to the current & future needs of the Local community and of the wider public
- responsibility for administering regulatory requirements under the LGA and other applicable legislation, &
- a role in the management, improvement and development of the resources of the local government area.

A description of the nature of Council's operations and its principal activities are provided in Note 2(b).

- (iii) All figures presented in these financial statements are presented in Australian Currency.
- (iv) These financial statements were authorised for issue by the Council on 22/08/12. Council has the power to amend and reissue the financial statements.
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New England Weeds Authority

General Purpose Financial Statements for the financial year ended 30 June 2012

Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments across NSW are required to present a set of audited Financial Statements to their Council & Community.

What you will find in the Statements

The Financial Statements set out the financial performance, financial position & cash flows of Council for the financial year ended 30 June 2012.

The format of the Financial Statements is standard across all NSW Councils and complies with both the accounting & reporting requirements of Australian Accounting Standards and requirements as set down by the NSW Division of Local Government.

About the Councillor/Management Statement

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

About the Primary Financial Statements

The Financial Statements incorporate 5 "primary" financial statements:

1. An Income Statement

A summary of Council's financial performance for the year, listing all income & expenses.

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

2. A Statement of Comprehensive Income

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

3. A Balance Sheet

A 30 June snapshot of Council's Financial Position including its Assets & Liabilities.

4. A Statement of Changes in Equity

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

5. A Statement of Cash Flows

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

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

About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the 5 Primary Financial Statements.

About the Auditor's Reports

Council's Financial Statements are required to be audited by external accountants (that generally specialize in Local Government).

In NSW, the Auditor provides 2 audit reports:

1. An opinion on whether the Financial Statements present fairly the Council's financial performance & position, &
2. Their observations on the conduct of the Audit including the Council's financial performance & financial position.

Who uses the Financial Statements?

The Financial Statements are publicly available documents & must be presented at a Council meeting between 7 days & 5 weeks after the date of the Audit Report.

Submissions from the public can be made to Council up to 7 days subsequent to the public presentation of the Financial Statements.

Council is required to forward an audited set of Financial Statements to the Division of Local Government.

New England Weeds Authority

General Purpose Financial Statements for the financial year ended 30 June 2012

Statement by Councillors and Management made pursuant to Section 413(2)(c) of the Local Government Act 1993 (as amended)

The attached General Purpose Financial Statements have been prepared in accordance with:


- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

To the best of our knowledge and belief, these Financial Statements:

- present fairly the Council's operating result and financial position for the year, and
- accords with Council's accounting and other records.

We are not aware of any matter that would render the Reports false or misleading in any way.

Signed in accordance with a resolution of Council made on 22 August 2012.



Maria Woods
CHAIRPERSON



Mark Dusting
COUNCILLOR



Wayne Deer
GENERAL MANAGER



Wayne Deer
RESPONSIBLE ACCOUNTING OFFICER

New England Weeds Authority

Income Statement

for the financial year ended 30 June 2012

Budget ⁽¹⁾ 2012	\$ '000	Notes	Actual 2012	Actual 2011
Income from Continuing Operations				
Revenue:				
118	User Charges & Fees	3b	176	140
35	Interest & Investment Revenue	3c	40	46
297	Other Revenues	3d	5	51
622	Grants & Contributions provided for Operating Purposes	3e,f	660	805
Other Income:				
-	Net gains from the disposal of assets	5	7	41
1,072	Total Income from Continuing Operations		888	1,083
Expenses from Continuing Operations				
522	Employee Benefits & On-Costs	4a	535	529
381	Materials & Contracts	4c	147	208
53	Depreciation & Amortisation	4d	57	52
110	Other Expenses	4e	123	109
5	Net Losses from the Disposal of Assets	5	-	-
1,071	Total Expenses from Continuing Operations		862	898
1	Net Operating Result for the Year		26	185
1	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		26	185

(1) Original Budget as approved by Council - refer Note 16

New England Weeds Authority

Statement of Comprehensive Income for the financial year ended 30 June 2012

\$ '000	Notes	Actual 2012	Actual 2011
Net Operating Result for the year (as per Income statement)		26	185
Other Comprehensive Income			
Adjustment to correct prior period depreciation errors		-	-
Total Other Comprehensive Income for the year		-	-
Total Comprehensive Income for the Year		26	185
Total Comprehensive Income attributable to Council		26	185

New England Weeds Authority

Balance Sheet as at 30 June 2012

\$ '000	Notes	Actual 2012	Actual 2011
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	730	642
Receivables	7	15	58
Inventories	8	10	11
Other	8	10	10
Total Current Assets		765	721
Non-Current Assets			
Property, Plant & Equipment	9	292	282
Total Non-Current Assets		292	282
TOTAL ASSETS		1,057	1,003
LIABILITIES			
Current Liabilities			
Payables	10	56	34
Provisions	10	90	84
Total Current Liabilities		146	118
Non-Current Liabilities			
Payables	10	-	-
Total Non-Current Liabilities		-	-
TOTAL LIABILITIES		146	118
Net Assets		911	885
EQUITY			
Retained Earnings	20	911	885
Revaluation Reserves	20	-	-
Total Equity		911	885

New England Weeds Authority

Statement of Changes in Equity for the financial year ended 30 June 2012

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Minority Interest	Total Equity
2012						
Opening Balance (as per Last Year's Audited Accounts)		885	-	885	-	885
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/10)		885	-	885	-	885
c. Net Operating Result for the Year		26	-	26	-	26
d. Other Comprehensive Income						
- Other Movements (enter details here)	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	-	-	-	-
Total Comprehensive Income (c&d)		26	-	26	-	26
Equity - Balance at end of the reporting period		911	-	911	-	911

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Minority Interest	Total Equity
2011						
Opening Balance (as per Last Year's Audited Accounts)		700	-	700	-	700
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/09)		700	-	700	-	700
c. Net Operating Result for the Year		185	-	185	-	185
d. Other Comprehensive Income						
- Other Movements (enter details here)	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	-	-	-	-
Total Comprehensive Income (c&d)		185	-	185	-	185
Equity - Balance at end of the reporting period		885	-	885	-	885

New England Weeds Authority

Statement of Cash Flows

for the financial year ended 30 June 2012

Budget 2012	\$ '000	Notes	Actual 2012	Actual 2011
Cash Flows from Operating Activities				
Receipts:				
118	User Charges & Fees		176	106
35	Investment & Interest Revenue Received		40	44
622	Grants & Contributions		660	886
297	Other		48	-
Payments:				
(522)	Employee Benefits & On-Costs		(525)	(547)
(381)	Materials & Contracts		(146)	(320)
(110)	Other		(105)	(152)
59	Net Cash provided (or used in) Operating Activities	11b	149	17
Cash Flows from Investing Activities				
Receipts:				
68	Sale of Investment Securities		-	-
50	Sale of Property, Plant & Equipment		37	62
Payments:				
	Nil			
(59)	Purchase of Investment Securities		-	-
(118)	Purchase of Property, Plant & Equipment		(98)	(145)
(59)	Net Cash provided (or used in) Investing Activities		(61)	(83)
Cash Flows from Financing Activities				
Receipts:				
	Nil			
Payments:				
	Nil			
-	Net Cash Flow provided (used in) Financing Activities		-	-
(0)	Net Increase/(Decrease) in Cash & Cash Equivalents		88	(66)
642	plus: Cash & Cash Equivalents - beginning of year	11a	642	708
	Total Cash, Cash Equivalents & Investments		730	642

Please refer to Note 11 for information on the following:

- Non Cash Financing & Investing Activities.
- Financing Arrangements.
- Net cash flow disclosures relating to any Discontinued Operations

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

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Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these financial statements are set out below in order to assist in its general understanding.

Under Australian Accounting Standards (AASB's), accounting policies are defined as those specific principles, bases, conventions, rules and practices applied by a reporting entity (in this case Council) in preparing and presenting its financial statements.

(a) The Local Government Reporting Entity

The New England Tablelands (Noxious Plants) County Council is a single purpose County Council incorporated under the NSW Local Government Act 1993 (as amended) and trades as the New England Weeds Authority with its principal place of business at 129 Rusden Street, Armidale. These General purpose financial statements include all operations of the Council. The Council does not control any other entities.

(b) The Trust Fund

As at 30 June 2011, the authority held no moneys in trust.

(c) Basis of preparation

(i) Background

These financial statements are general purpose financial statements which have been prepared in accordance with;

- **Australian Accounting Standards and Interpretations** issued by the Australian Accounting Standards Board,
- **the Local Government Act (1993) & Regulation,** and
- **the Local Government Code of Accounting Practice and Financial Reporting.**

For the purpose of preparing these financial statements, Council has been deemed to be a not-for-profit entity.

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

Because Australian Accounting Standards (AASB's) are sector neutral, some standards either:

- (a) have local Australian content and prescription that is specific to the Not-For-Profit sector (including Local Government) which are not in compliance with IFRS's, or
- (b) specifically exclude application by Not for Profit entities.

Accordingly in preparing these financial statements and accompanying notes, Council has been unable to comply fully with International Accounting Standards, but has complied fully with Australian Accounting Standards.

Under the Local Government Act (LGA), Regulations and Local Government Code of Accounting Practice & Financial Reporting, it should be noted that Councils in NSW only have a requirement to comply with Australian Accounting Standards.

(iii) New and amended standards adopted by Council

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2011 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(iv) Early adoption of Accounting Standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2011.

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

(v) Basis of Accounting

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

- (i) the write down of any Asset on the basis of Impairment (if warranted) and

New England Weeds Authority

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

- (ii) certain classes of property, plant & equipment that are accounted for at fair valuation.

The accrual basis of accounting has also been applied in their preparation.

(vi) Changes in Accounting Policies

Council's accounting policies have been consistently applied to all the years presented, unless otherwise stated.

There have also been no changes in accounting policies when compared with previous financial statements unless otherwise stated [refer Note 20(d)].

(vii) Critical Accounting Estimates

The preparation of financial statements requires the use of certain critical accounting estimates (in conformity with AASB's).

Accordingly this requires management to exercise its judgement in the process of applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

Management considers there are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical judgements in applying the entity's accounting policies

Management considers there are no critical judgements in applying the entities accounting policies.

(d) Revenue recognition

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Council's activities as described below.

Council bases any estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is measured on major income categories as follows:

Grants and Contributions

Grants and contributions are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and is valued at their fair value at the date of transfer.

Revenue from Contributions is recognised when the Council either obtains control of the contribution or the right to receive it, **(i) it is probable that the economic benefits comprising the contribution will flow to the Council and (ii) the amount of the contribution can be measured reliably.**

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3(g).

Note 3(g) also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

User Charges, Fees and Other Income

User charges, fees and other income are recognised as revenue when the service has been provided or the payment is received, whichever first occurs.

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

A provision for the impairment of these receivables is recognised when collection in full is no longer probable.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided as at balance date.

Sale of Property, Plant and Equipment

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

Interest and Rents

Rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

Interest Income from Cash & Investments is accounted for using the Effective Interest method in accordance with AASB 139.

(e) Cash and Cash Equivalents

Cash and cash equivalents includes;

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

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

(f) Receivables

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

Receivables are generally due for settlement no more than 30 days from the date of recognition.

The collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off in accordance with Council's policy.

A provision for impairment (ie. an allowance account) relating to receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of each receivable.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Impairment losses are recognised in the Income Statement within other expenses.

When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

(g) Inventories

Inventories have been valued at cost subject to adjustment for loss of service potential.

(h) Property, Plant and Equipment (PP&E)

Acquisition of assets

Council's non current assets have been progressively revalued to fair value in accordance with a staged implementation as advised by the Division of Local Government.

At balance date, the following classes of PP&E were stated at their Fair Value;

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

- **Plant and Equipment**
(as approximated by depreciated historical cost)
- **Office Equipment**
(as approximated by depreciated historical cost)

Initial Recognition

On initial recognition, an assets cost is measured at its fair value, plus all expenditure that is directly attributable to the acquisition.

Capitalisation Thresholds

Items of property, plant and equipment are not capitalised unless their cost of acquisition exceeds the following;

Plant & Equipment	
Office Equipment	> \$1,000
Plant & Equipment	> \$1,000

Depreciation

Depreciation on Council's property, plant and equipment assets is calculated using the straight line method in order to allocate an assets cost (net of residual values) over its estimated useful life.

Estimated useful lives for Council's PP&E include:

Plant & Equipment	
- Office Equipment	3 years
- Plant and equipment	5 to 6 years

(i) Impairment of assets

All Council's PP&E is subject to an annual assessment of impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

(j) Payables

These amounts represent liabilities and include goods and services provided to the Council prior to the end of financial year which are unpaid.

The amounts for goods and services are unsecured and are usually paid within 30 days of recognition.

(k) Payments Received in Advance & Deposits

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to Council assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

(l) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred.

Borrowings are subsequently measured at amortised cost.

Amortisation results in any difference between the proceeds (net of transaction costs) and the redemption amount being recognised in the Income Statement over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

(m) Borrowing costs

Borrowing costs are expensed.

(n) Provisions

Provisions for legal claims, service warranties and other like liabilities are recognised when:

- **Council has a present legal or constructive obligation as a result of past events;**
- **it is more likely than not that an outflow of resources will be required to settle the obligation;** and
- **the amount has been reliably estimated.**

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

The increase in the provision due to the passage of time is recognised as interest expense.

(o) Employee benefits

(i) Short Term Obligations

Short term employee benefit obligations include liabilities for wages and salaries (including non-monetary benefits) and annual leave expected to be

settled within the 12 months after the reporting period.

Leave liabilities are recognised in the provision for employee benefits in respect of employees' services up to the reporting date with other short term employee benefit obligations disclosed under payables.

These provisions are measured at the amounts expected to be paid when the liabilities are settled.

Liabilities for sick leave are recognised at the time when the leave is taken and measured at the rates paid or payable, and accordingly no liability has been recognised in these reports.

Wages & salaries and annual leave are all classified as Current Liabilities.

(ii) Other Long Term Obligations

The liability for all long service leave is recognised in the provision for employee benefits.

These liabilities are measured at the present value of the expected future payments to be made.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are then discounted using market yields at the reporting date based on national government bonds with terms to maturity and currency that match as closely as possible the estimated future cash outflows.

Due to the nature of when and how Long Service Leave can be taken, all Long Service Leave for employees with 4 or more years of service has been classified as Current, as it has been deemed that Council does not have the unconditional right to defer settlement beyond 12 months – even though it is not anticipated that all employees with more than 4 years service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

(iii) Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death.

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

Council contributes to various defined contribution plans on behalf of its employees.

Contributions to Defined Contribution Plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Employee Benefit On-Costs

Council has recognised at year end the aggregate on-cost liabilities arising from employee benefits, and in particular those on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include Superannuation and Workers Compensation expenses which will be payable upon the future payment of certain Leave Liabilities accrued as at 30/6/12.

(p) Allocation between current and non-current assets & liabilities

In the determination of whether an asset or liability is classified as current or non-current, consideration is given to the time when each asset or liability is expected to be settled.

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle.

Exceptions

In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months (such as vested long service leave), the liability is classified as current even if not expected to be settled within the next 12 months.

(q) Taxes

The Council is exempt from both Commonwealth Income Tax and Capital Gains Tax.

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

Goods & Services Tax (GST)

Income, expenses and assets are all recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue / expense.

Receivables and payables within the Balance Sheet are stated inclusive of any applicable GST.

The net amount of GST recoverable from or payable to the ATO is included as a current asset or current liability in the Balance Sheet.

Operating cash flows within the Cash Flow Statement are on a gross basis, ie. they are inclusive of GST where applicable.

Investing and Financing cash flows are treated on a net basis (where recoverable from the ATO), ie. they are exclusive of GST. Instead, the GST component of investing and financing activity cash flows which are recoverable from or payable to the ATO are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from (or payable to) the ATO.

(r) New accounting standards and UIG interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2012.

Council has not adopted any of these standards early.

Council's assessment of the impact of these new standards and interpretations is set out below.

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Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

Applicable to Local Government with implications:

None

Applicable to Local Government but no implications for Council;

AASB 9 Financial Instruments, AASB 2009 11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013)

AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, revised AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 127 - Separate Financial Statements and AASB 128 - Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective 1 January 2013)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities.

The standard is not applicable until 1 January 2013 but is available for early adoption.

When adopted, the standard will affect in particular the Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss.

There will be no impact on Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and Council does not have any such liabilities.

The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed

In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities.

The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation.

However, the standard introduces a single definition of control that applies to all entities.

It focuses on the need to have both power and rights or exposure to variable returns.

Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns.

There is also new guidance on participating and protective rights and on agent/principal relationships. Council does not expect the new standard to have a significant impact on its composition.

AASB 11 introduces a principles based approach to accounting for joint arrangements.

The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement.

Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture.

Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted.

Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard.

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

Council's investment in the joint venture partnership will be classified as a joint venture under the new rules.

As Council already applies the equity method in accounting for this investment, AASB 11 will not have any impact on the amounts recognised in its financial statements.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128.

Application of this standard by Council will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to Council's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. Council is still assessing the impact of these amendments.

Council does not expect to adopt the new standards before their operative date. They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

AASB 13 was released in September 2011.

It explains how to measure fair value and aims to enhance fair value disclosures. Council has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance.

It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements.

Council does not intend to adopt the new standard before its operative date, which means that it would

be first applied in the annual reporting period ending 30 June 2014.

Applicable to Local Government but not relevant to Council at this stage;

Revised AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements (effective 1 January 2013)

In September 2011, the AASB released a revised standard on accounting for employee benefits.

It requires the recognition of all remeasurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset.

This replaces the expected return on plan assets that is currently included in profit or loss.

The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits.

The amendments will have to be implemented retrospectively.

Council does not recognise defined benefit assets and liabilities for the reasons set out in note 1 (s)(iii) and so these changes will not have an impact on its reported results.

Not applicable to Local Government per se;

None

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

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 1. Summary of Significant Accounting Policies (continued)

(s) Rounding of amounts

Unless otherwise indicated, amounts in the financial statements have been rounded off to the nearest thousand dollars.

(t) Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

(u) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

New England Weeds Authority

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 2(a). Council Functions / Activities - Financial Information

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing Operations		Total Assets held (Current & Non-current)	
	Original Budget 2012	Actual 2012	Actual 2011	Original Budget 2012	Actual 2012	Actual 2011	Original Budget 2012	Actual 2012	Actual 2011	Actual 2012	Actual 2011	Actual 2012	Actual 2011
Governance	-	-	-	-	16	17	-	(16)	(17)	36	-	0	-
Administration	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Order & Safety	-	-	-	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-	-
Environment	1,037	847	1,083	1,071	845	881	(34)	2	202	304	518	1,057	1,003
Community Services & Education	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing & Community Amenities	-	-	-	-	-	-	-	-	-	-	-	-	-
Water Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage Services	-	-	-	-	-	-	-	-	-	-	-	-	-
Recreation & Culture	-	-	-	-	-	-	-	-	-	-	-	-	-
Fuel & Energy	-	-	-	-	-	-	-	-	-	-	-	-	-
Agriculture	-	-	-	-	-	-	-	-	-	-	-	-	-
Mining, Manufacturing & Construction	-	-	-	-	-	-	-	-	-	-	-	-	-
Transport & Communication	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic Affairs	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Functions & Activities	1,037	847	1,083	1,071	861	898	(34)	(14)	185	340	518	1,057	1,003
General Purpose Income ¹	35	40	-	-	-	-	35	40	-	-	-	-	-
Operating Result from Continuing Operations	1,072	888	1,083	1,071	861	898	1	26	185	340	518	1,057	1,003

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

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 2(b). Council Functions / Activities - Component Descriptions

Details relating to the Council's functions / activities as reported in Note 2(a) are as follows:

GOVERNANCE

Costs relating to the Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of council and policy making committees, area representation and public disclosure and compliance.

ENVIRONMENT

Noxious plants and insect/vermin control, other environmental protection.

New England Weeds Authority

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2012	Actual 2011
(a). Rates & Annual Charges			
<u>TOTAL RATES & ANNUAL CHARGES</u>		<u>-</u>	<u>-</u>
(b). User Charges & Fees			
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Private Works - Section 67		173	137
Property certificate Fees		3	3
Total Fees & Charges - Statutory/Regulatory		<u>176</u>	<u>140</u>
<u>TOTAL USER CHARGES & FEES</u>		<u>176</u>	<u>140</u>
(c). Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges		-	-
- Interest earned on Investments (interest & coupon payment income)		40	46
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>40</u>	<u>46</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
General Council Cash & Investments		40	46
Restricted Investments/Funds - External:			
Other Externally Restricted Assets		-	-
Restricted Investments/Funds - Internal:			
Internally Restricted Assets		-	-
Total Interest & Investment Revenue Recognised		<u>40</u>	<u>46</u>
(d). Other Revenues			
Other		5	51
<u>TOTAL OTHER REVENUE</u>		<u>5</u>	<u>51</u>

New England Weeds Authority

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 3. Income from Continuing Operations (continued)

\$ '000	2012 Operating	2011 Operating	2012 Capital	2011 Capital
(e). Grants				
Specific Purpose				
Noxious Weeds	340	518	-	-
Total Specific Purpose	340	518	-	-
Total Grants	340	518	-	-
Grant Revenue is attributable to:				
- Commonwealth Funding	-	-	-	-
- State Funding	340	518	-	-
	340	518	-	-
(f). Contributions				
Other Contributions:				
Other Councils - Joint Works/Services	320	287	-	-
Total Other Contributions	320	287	-	-
Total Contributions	320	287	-	-
TOTAL GRANTS & CONTRIBUTIONS	660	805	-	-
(g). Restrictions relating to Grants and Contributions				
Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:				
Unexpended at the Close of the Previous Reporting Period			243	200
add: Grants & contributions recognised in the current period but not yet spent:			16	198
less: Grants & contributions recognised in a previous reporting period now spent:			(78)	(155)
Net Increase (Decrease) in Restricted Assets during the Period			(62)	43
Unexpended and held as Restricted Assets			181	243
Comprising:				
- Specific Purpose Unexpended Grants			181	243
			181	243

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2012	Actual 2011
(a) Employee Benefits & On-Costs			
Salaries and Wages		464	452
Travelling		2	1
Employee Leave Entitlements (ELE)		6	3
Superannuation		41	43
Workers' Compensation Insurance		12	11
Training Costs (other than Salaries & Wages)		2	7
Other		8	12
Total Employee Costs		535	529
less: Capitalised Costs		-	-
TOTAL EMPLOYEE COSTS EXPENSED		535	529
Number of "Equivalent Full Time" Employees at year end		8	8
Number of "Equivalent Full Time" Employees at year end (incl. vacancies)		8	8
(b) Borrowing Costs			
TOTAL BORROWING COSTS EXPENSED		-	-
(c) Materials & Contracts			
Raw Materials & Consumables		144	100
Contractor & Consultancy Costs		-	99
Auditors Remuneration ⁽¹⁾		3	9
Total Materials & Contracts		147	208
less: Capitalised Costs		-	-
TOTAL MATERIALS & CONTRACTS		147	208
1. Auditor Remuneration			
During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):			
(i) Audit and Other Assurance Services			
- Audit & review of financial statements: Council's Auditor		3	9
Remuneration for audit and other assurance services		3	9
(ii) Taxation Services			
Remuneration for taxation services		-	-
(iii) Other Services			
Remuneration for other services		-	-
Total Auditor Remuneration		3	9

New England Weeds Authority

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2012	Actual 2011	Actual 2012	Actual 2011
(d) Depreciation, Amortisation & Impairment					
Plant and Equipment		-	-	55	50
Office Equipment		-	-	2	2
Total Depreciation & Impairment Costs		-	-	57	52
less: Capitalised Costs		-	-	-	-
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	-	57	52

(e) Other Expenses

Other Expenses for the year include the following:

Advertising	1	7
Bad & Doubtful Debts	-	1
Computer Expenses	6	5
Councillor Expenses - Chairpersons Allowance	5	5
Councillor Expenses - Councillors' Fees	11	11
Councillors' Expenses (incl. Chair) - Other (excluding fees above)	0	1
Electricity & Heating	2	2
Insurance	16	10
Postage	1	-
Printing & Stationery	7	-
Subscriptions & Publications	1	1
Telephone & Communications	7	8
Promotion	-	8
Aircraft Hire	2	21
Rent	12	11
Other	52	18
Total Other Expenses	123	109
less: Capitalised Costs	-	-
TOTAL OTHER EXPENSES	123	109

New England Weeds Authority

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2012	Actual 2011
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		37	62
less: Carrying Amount of P&E Assets Sold / Written Off		(30)	(21)
Net Gain/(Loss) on Disposal		7	41
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		7	41

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 6a. - Cash Assets and Note 6b. - Investment Securities

\$ '000	Notes	2012	2012	2011	2011
		Actual Current	Actual Non Current	Actual Current	Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		4	-	8	-
Cash-Equivalent Assets ¹					
- Deposits at Call		726	-	634	-
Total Cash & Cash Equivalents		730	-	642	-

Investment Securities (Note 6b)

Nil

¹ Those Investments where time to maturity (from date of purchase) is < 3 mths.

Cash, Cash Equivalents & Investments were classified at year end in accordance with AASB 139 as follows:

Cash & Cash Equivalents

a. "At Fair Value through the Profit & Loss"

	730	-	642	-
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Investments

Nil

New England Weeds Authority

Notes to the Financial Statements
for the financial year ended 30 June 2012

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

\$ '000	2012	2012	2011	2011
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Total Cash, Cash Equivalents and Investment Securities	730	-	642	-
attributable to:				
External Restrictions (refer below)	213	-	248	-
Internal Restrictions (refer below)	178	-	177	-
Unrestricted	339	-	217	-
	730	-	642	-

2012	Opening	Transfers to	Transfers from	Closing
\$ '000	Balance	Restrictions	Restrictions	Balance

Details of Restrictions

External Restrictions - Included in Liabilities

Other - Regional Banking Funds	5	-	(4)	1
Other - NIWAC	-	31		31
External Restrictions - Included in Liabilities	5	31	(4)	32

External Restrictions - Other

Specific Purpose Unexpended Grants (F)	243	16	(78)	181
External Restrictions - Other	243	16	(78)	181
Total External Restrictions	248	47	(82)	213

Internal Restrictions

Plant & Vehicle Replacement	93	93	(98)	88
Employees Leave Entitlement	84	6	-	90
Total Internal Restrictions	177	99	(98)	178

TOTAL RESTRICTIONS

425	146	(180)	391
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F Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1)

New England Weeds Authority

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 7. Receivables

\$ '000	Notes	2012		2011	
		Current	Non Current	Current	Non Current
Purpose					
Accrued Revenues					
- Interest on Investments		3	-	2	-
Other Debtors		12	-	56	-
Total		15	-	58	-
less: Provision for Impairment					
Nil					
TOTAL NET RECEIVABLES		15	-	58	-
Externally Restricted Receivables					
Nil					
Internally Restricted Receivables					
Nil					
Unrestricted Receivables		15	-	58	-
TOTAL NET RECEIVABLES		15	-	58	-

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 8. Inventories & Other Assets

\$ '000	Notes	2012		2011	
		Current	Non Current	Current	Non Current
Inventories					
Stores & Materials		10	-	11	-
Total Inventories		10	-	11	-
Other Assets					
Prepayments		10	-	10	-
Total Other Assets		10	-	10	-
TOTAL INVENTORIES / OTHER ASSETS		20	-	21	-

Externally Restricted Assets

There are no restrictions applicable to the above assets.

New England Weeds Authority

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 9a. Property, Plant & Equipment

	as at 30/6/2011				Asset Movements during the			as at 30/6/2012				
	At	At	Accumulated	Carrying	Asset	WDV	Depreciation	At	At	Accumulated	Carrying	
	Cost	Fair Value	Dep'n	Value	Additions	of Asset Disposals	Expense	Cost	Fair Value	Impairment	Value	
\$ '000												
Plant & Equipment	-	386	108	278	98	(30)	(55)	-	421	131	290	
Office Equipment	-	32	28	4	-	-	(2)	-	32	30	2	
TOTAL												
PROPERTY, PLANT & EQUIP.	-	418	136	282	98	(30)	(57)	-	453	161	292	

New England Weeds Authority

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 9b. Externally Restricted Property, Plant & Equipment

Council has no Externally Restricted Property, Plant & Equipment.

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

\$ '000	Notes	Actual 2012	Actual 2011
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Council has recognised no impairment losses during the reporting period nor reversed any prior period losses.

New England Weeds Authority

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2012		2011	
		Current	Non Current	Current	Non Current
Payables					
Accrued Expenses:					
- Salaries & Wages		10	-	7	-
- Other Expenditure Accruals		5	-	11	-
ATO - Net GST Payable		9	-	-	-
Regional Banking Funds		1	-	5	-
Other		31	-	11	-
Total Payables		56	-	34	-
Borrowings					
Nil					
Provisions					
Employee Benefits;					
Annual Leave		22	-	23	-
Long Service Leave		57	-	51	-
ELE On-Costs		11	-	10	-
Total Provisions		90	-	84	-
Total Payables, Borrowings & Provisions		146	-	118	-

(i) Liabilities relating to Restricted Assets

	2012		2011	
	Current	Non Current	Current	Non Current
Externally Restricted Assets				
Other	1	-	5	-
Other NIWAC	31	-	-	-
Liabilities relating to externally restricted assets	32	-	5	-
Internally Restricted Assets				
Nil				
Total Liabilities relating to restricted assets	32	-	5	-

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

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

\$ '000	2012	2011
(ii) Current Liabilities not anticipated to be settled within the next 12 months		
The following Liabilities, even though classified as current , are not expected to be settled in the next 12 months.		
Provisions - Employees Benefits	56	47
	56	47

Note 10b. Description of and movements in Provisions

Class of Provision	2011		2012			
	Opening Balance as at 1/7/11	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	Closing Balance as at 30/6/12
Annual Leave	23	30	(31)	-	-	22
Long Service Leave	51	13	(7)	-	-	57
ELE On-Costs	10	1	-	-	-	11
TOTAL	84	44	(38)	-	-	90

a. Employees Leave Entitlements & On-Costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2012	Actual 2011
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	730	642
BALANCE as per the STATEMENT of CASH FLOWS		730	642
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		26	185
Adjust for non cash items:			
Depreciation & Amortisation		57	52
Net Losses/(Gains) on Disposal of Assets		(7)	(41)
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		43	(50)
Decrease/(Increase) in Inventories		1	(2)
Decrease/(Increase) in Other Assets		0	2
Increase/(Decrease) in Payables and other accruals		3	(119)
Increase/(Decrease) in Other Liabilities		20	11
Increase/(Decrease) in Employee Leave Entitlements		6	(21)
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		149	17
(c) Non-Cash Investing & Financing Activities			
Nil			
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdraft Facilities ⁽¹⁾		-	-
Credit Cards / Purchase Cards		-	-
Total Financing Arrangements		-	-
Amounts utilised as at Balance Date:			
- Bank Overdraft Facilities		-	-
- Credit Cards / Purchase Cards		-	-
Total Financing Arrangements Utilised		-	-

1. The Bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

Interest rates on overdrafts are Interest Rates on Loans & Other Payables are disclosed in Note 15.

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2012	Actual 2011
(a) Capital Commitments (exclusive of GST)			
Nil			
(b) Finance Lease Commitments			
Nil			
(c) Operating Lease Commitments (Non Cancellable)			
Nil			
(d) Investment Property Commitments			
Nil			
(e) Investment in Associates / Joint Ventures - Commitments			
Nil			

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

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

\$ '000	Amounts	Indicator	Prior Periods	
	2012	2012	2011	2010
Local Government Industry Indicators				
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽¹⁾	<u>552</u>	9.52 : 1	6.66	3.11
Current Liabilities less Specific Purpose Liabilities ^(2,3)	<u>58</u>			
2. Debt Service Ratio				
Debt Service Cost	<u>-</u>	0.00%	0.00%	0.00%
Income from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions	<u>228</u>			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	<u>-</u>	0.00%	0.00%	0.00%
Income from Continuing Operations	<u>888</u>			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	<u>-</u>	0.00%	0.00%	0.00%
Rates, Annual & Extra Charges Collectible	<u>-</u>			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals ⁽⁴⁾	<u>-</u>	0.00%	0.00%	0.00%
Depreciation, Amortisation & Impairment	<u>-</u>			

Notes

(1) Refer Notes 6-8 inclusive.

Also excludes any Real Estate & Land for resale not expected to be sold in the next 12 months

(2) Refer to Note 10(a).

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

(4) Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building and infrastructure assets only.

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 13a(ii). Statement of Performance Measurement - Graphs (Consolidated)

<p>1. Unrestricted Current Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>3.11</td> </tr> <tr> <td>2011</td> <td>6.66</td> </tr> <tr> <td>2012</td> <td>9.52</td> </tr> </tbody> </table>	Year	Ratio	2010	3.11	2011	6.66	2012	9.52	<p>Purpose of Unrestricted Current Ratio</p> <p>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</p>	<p>Commentary on 2011/12 Result</p> <p>2011/12 Ratio 9.52 : 1</p> <p>Generally a ratio greater than 2:1 is considered acceptable. The authority continues to have excellent working capital ratios</p>
Year	Ratio									
2010	3.11									
2011	6.66									
2012	9.52									
<p>2. Debt Service Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>0.00%</td> </tr> <tr> <td>2011</td> <td>0.00%</td> </tr> <tr> <td>2012</td> <td>0.00%</td> </tr> </tbody> </table>	Year	Ratio %	2010	0.00%	2011	0.00%	2012	0.00%	<p>Purpose of Debt Service Ratio</p> <p>To assess the impact of loan principal & interest repayments on the discretionary revenue of council.</p>	<p>Commentary on 2011/12 Result</p> <p>2011/12 Ratio 0.00%</p> <p>Council has no borrowings.</p>
Year	Ratio %									
2010	0.00%									
2011	0.00%									
2012	0.00%									
<p>3. Rates & Annual Charges Coverage Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>0.00%</td> </tr> <tr> <td>2011</td> <td>0.00%</td> </tr> <tr> <td>2012</td> <td>0.00%</td> </tr> </tbody> </table>	Year	Ratio %	2010	0.00%	2011	0.00%	2012	0.00%	<p>Purpose of Rates & Annual Charges Coverage Ratio</p> <p>To assess the degree of Council's dependence upon revenue from rates and annual charges and to assess the security of Council's income.</p>	<p>Commentary on 2011/12 Result</p> <p>2011/12 Ratio 0.00%</p> <p>Council does not levy rates.</p>
Year	Ratio %									
2010	0.00%									
2011	0.00%									
2012	0.00%									
<p>4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>0.00%</td> </tr> <tr> <td>2011</td> <td>0.00%</td> </tr> <tr> <td>2012</td> <td>0.00%</td> </tr> </tbody> </table>	Year	Ratio %	2010	0.00%	2011	0.00%	2012	0.00%	<p>Purpose of Rates & Annual Charges Outstanding Ratio</p> <p>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</p>	<p>Commentary on 2011/12 Result</p> <p>2011/12 Ratio 0.00%</p> <p>Council does not levy rates.</p>
Year	Ratio %									
2010	0.00%									
2011	0.00%									
2012	0.00%									
<p>5. Building & Infrastructure Renewals Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>0.00%</td> </tr> <tr> <td>2011</td> <td>0.00%</td> </tr> <tr> <td>2012</td> <td>0.00%</td> </tr> </tbody> </table>	Year	Ratio %	2010	0.00%	2011	0.00%	2012	0.00%	<p>Purpose of Asset Renewals Ratio</p> <p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p>	<p>Commentary on Result</p> <p>2011/12 Ratio 0.00%</p> <p>Council does not hold building or infrastructure assts.</p>
Year	Ratio %									
2010	0.00%									
2011	0.00%									
2012	0.00%									

New England Weeds Authority

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 14. Investment Properties

\$ '000	Notes	Actual 2012	Actual 2011
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Council has not classified any Land or Buildings as **"Investment Properties"**

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 15. Financial Risk Management

\$ '000

Risk Management

Council's activities expose it to a variety of financial risks including (1) price risk, (2) credit risk, (3) liquidity risk and (4) interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by NEWA staff under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's Financial Assets & Financial Liabilities recognised in the financial statements is presented below.

	Carrying Value		Fair Value	
	2012	2011	2012	2011
Financial Assets				
Cash and Cash Equivalents	730	642	730	642
Receivables	15	58	15	58
Total Financial Assets	745	700	745	700
Financial Liabilities				
Payables	56	34	56	34
Total Financial Liabilities	56	34	56	34

Fair Value is determined as follows:

- Cash & Cash Equivalents, Receivables, Payables - are estimated to be the carrying value which approximates mkt value.

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 15. Financial Risk Management (continued)

\$ '000

(a) Fair Value Measurements

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

AASB 7 Financial Instruments: Disclosures, requires the disclosure of how fair valuations have been arrived at for all financial assets and financial liabilities that have been measured at fair value.

Council has no investments other than cash and cash **equivalents, so is not subject to fair value.**

(b) Cash & Cash Equivalents, Financial assets 'at fair value through the profit & Loss' "Available-for-sale" financial assets & "Held-to-maturity" Investments

Council's objective is to maximise its return on cash & investments whilst maintaining an adequate level of liquidity and preserving capital.

Council has an Investment Policy which complies with the Local Government Act & Minister's Investment Order. This Policy is regularly reviewed by Council and it's staff and an Investment Report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

Council's investment portfolio consists of deposits **at fixed and variable interest rates, generally for periods of less than 120 days.** Whilst these are subject to interest rate risk, this is minimised by the relative short time of the financial assets held.

Council does not consider there to be a significant risk on interest rate movements and has therefore not conducted sensitivity analysis.

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 15. Financial Risk Management (continued)

\$ '000

(c) Receivables

Council's major receivables comprise private works debtors and contributions from constituent Councils.

The authority is not materially exposed to any individual debtor and credit risk exposure is concentrated within the State of New South Wales. There are no material receivables that have been subject to re-negotiation of repayment terms.

Council receives regular summary reports of receivables due and detailed reports where appropriate.

At reporting date all amounts receivable were reviewed and adequate allowance made for amounts considered doubtful.

A profile of Council's receivables credit risk at balance date follows:

	2012	2012	2011	2011
	Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables
(i) Ageing of Receivables				
Current (not yet overdue)	-	12	-	20
Past due by up to 30 days	-	-	-	31
Past due between 31 and 180 days	-	3	-	7
	<u>-</u>	<u>15</u>	<u>-</u>	<u>58</u>
(ii) Movement in Provision for Impairment of Receivables			2012	2011
Balance at the end of the year			<u>-</u>	<u>-</u>

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 15. Financial Risk Management (continued)

\$ '000

(d) Payables & Borrowings

Payables & Borrowings are both subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended & overdraft facilities utilised as required.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's Payables & Borrowings are set out in the Liquidity Table below:

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2012									
Trade/Other Payables	-	56	-	-	-	-	-	56	56
Total Financial Liabilities	-	56	-	-	-	-	-	56	56
2011									
Trade/Other Payables	-	34	-	-	-	-	-	34	34
Total Financial Liabilities	-	34	-	-	-	-	-	34	34

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 11/12 was adopted by the Council on 26 June 2011.

While the Income Statement included in this General Purpose Financial Report must disclose the Original Budget adopted by Council, the Local Government Act requires Council to review its Financial Budget on a Quarterly Basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This Note sets out the details of MATERIAL VARIATIONS between Council's Original Budget and its Actual results for the year as per the Income Statement - even though such variations may have been adjusted for during each Quarterly Budget Review.

Note that for Variations* of Budget to Actual :

Material Variations represent those variances that amount to **10% or more of the original budgeted figure.**

F = Favourable Budget Variation, **U** = Unfavourable Budget Variation

\$ '000	2012 Budget	2012 Actual	2012 ----- Variance* -----		
REVENUES					
User Charges & Fees	118	176	58	49%	F
Additional private works jobs were undertaken, generating additional revenue. This is offset by an increase in other expenses.					
Interest & Investment Revenue	35	40	5	15%	F
Council obtained better than forecast returns on its investments.					
Other Revenues	297	5	(292)	(98%)	U
CMA grant funds totalling 292k were originally budgeted as other revenues. The CMA project ended and funds were not provided.					
Net Gains from Disposal of Assets	-	7	7	0%	F
The authority budgeted for an expected loss on sale of 5k. Returns were better than expected resulting in a profit on sale					

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 16. Material Budget Variations (continued)

\$ '000	2012 Budget	2012 Actual	2012 Variance*		
EXPENSES					
Materials & Contracts	381	147	234	61%	F
As detailed above, the CMA grant of 292k did not materialise meaning expenditures on Materials and Contracts are also down.					
Other Expenses	110	123	(13)	(12%)	U
As detailed above, additional private works have been undertaken requiring the expenditure of additional funds in other expenses.					
Net Losses from Disposal of Assets	5	-	5	100%	F
The authority budgeted for an expected loss on sale of 5k. Returns were better than expected resulting in a profit on sale					
Budget Variations relating to Council's Cash Flow Statement include:					
Cash Flows from Operating Activities	59	149	90	154.0%	F
Increased cashflows resulted from the reduction in materials and contracts costs and the continued revenue from private works					

New England Weeds Authority

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 17. Statement of Developer Contributions

\$ '000

Council currently has no S94 Developer Contribution Plans or S94 Funds on hand from prior years.

New England Weeds Authority

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

The authority does not have any known contingencies as at 30th June 2012.

New England Weeds Authority

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

\$ '000

Council has no interest in any Controlled Entities, ~~Associated Entities~~ or Joint Ventures.

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2012	Actual 2011
a. Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		885	700
a. Correction of Prior Period Errors	20 (c)	-	-
b. Changes in Accounting Policies (prior period effects)	20 (d)	-	-
c. Other Comprehensive Income (excl. direct to Reserves transactions)		-	-
d. Net Operating Result for the Year		26	185
e. Distributions to/(Contributions from) Minority Interests		-	-
f. Transfers between Equity		-	-
Balance at End of the Reporting Period		911	885

b. Reserves

Council has no reportable Equity Reserves.

c. Correction of Error/s relating to a Previous Reporting Period

Council made no correction of errors during the current reporting period.

d. Voluntary Changes in Accounting Policies

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

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 21. Financial Result & Financial Position by Fund

Income Statement by Fund	Actual	Actual	Actual	Actual
\$ '000	2012	2012	2012	2012

Council utilises only a General Fund for its operations.

New England Weeds Authority

Notes to the Financial Statements
for the financial year ended 30 June 2012

Note 22. "Held for Sale" Non Current Assets & Disposal Groups

\$ '000	2012		2011	
	Current	Non Current	Current	Non Current

Council did not classify any Non Current Assets or Disposal Groups as "Held for Sale".

New England Weeds Authority

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 23. Events occurring after Balance Sheet Date

\$ '000

Events that occur after the reporting date of 30 June 2012, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 22/08/12.

Events that occur after the Reporting Date represent one of two types:

(i) Events that have provided evidence of conditions that existed at the Reporting Date

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2012.

(ii) Events that have provided evidence of conditions that arose after the Reporting Date

These financial statements (& figures therein) do not incorporate any "non adjusting events" that have occurred after 30 June 2012 and which are only indicative of conditions that arose after 30 June 2012.

Council is unaware of any material or significant "non adjusting events" that should be disclosed.