



**Chipping Norton
Lake Authority**



Annual Report

2012 – 2013



Chipping Norton
Lake Authority

21 November 2013

The Hon Andrew Stoner MP
Minister for Regional Infrastructure and Services
Level 34
Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Mr Stoner

**2012-2013 Annual Report
For Chipping Norton Lake Authority**

I have the pleasure of submitting to you, for presentation to Parliament, the Annual Report of the Chipping Norton Lake Authority for the year ended 30 June 2013.

The report has been prepared in accordance with the provisions of the Annual Reports (Statutory Bodies) Act, 1984 as amended and associated Regulation and the Public Finance and Audit Act, 1983.

Yours sincerely

Brian Dooley
Minister's Delegate

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INTRODUCTORY REMARKS

Initially established within the portfolio of the then Minister for Public Works, the responsibility for the administration and implementation of the “*Chipping Norton Lake Authority Act 1977*” was vested jointly in the Minister for Primary Industries and the Minister for Regional Infrastructure and Services by the *Allocation of the Administration of Acts 2011 (No. 3 – Amendment)*. The charter of the Chipping Norton Lake Authority (CNLA) is the environmental restoration of a six kilometre reach of the Georges River near Chipping Norton devastated by uncontrolled sand extraction during the 1950’s and 1960’s.

Since established, activities undertaken by the CNLA have included the design and implementation of numerous works covering erosion control, sand mine rehabilitation, the provision of access, picnic facilities and habitat restoration all undertaken in accordance with an approved Master Plan for the lake scheme. The Georges River between Milperra and Liverpool and the associated foreshore parklands now represent a significant recreational amenity for hundreds of thousands of residents from Central and Western Sydney.

AIMS AND OBJECTIVES OF THE AUTHORITY

The objective of the Authority's activities was to transform an environment previously devastated by poorly managed soil and sand extraction operations into an attractive regional recreational resource with improved ecological values.

The works considered necessary to achieve this transformation included:

- ❖ The development of a lake system with adequate circulation to maintain water quality and sufficient area and depth to permit use for boating and other recreational activities;
- ❖ The provision of rehabilitated habitats for the preservation of native wildlife;
- ❖ The stabilisation of eroding foreshore areas, the construction of beaches and the provision of public access to lake foreshores via walkways, cycle tracks and roads;
- ❖ The creation of landscaped parks and carparks on the lake foreshores for passive recreation and for sporting and other pursuits;
- ❖ The construction of wharves, boat launching facilities, picnic facilities and amenities.

ADMINISTRATION

The affairs of the Authority are managed by Mr Brian Dooley of the Department's Wollongong office who has been appointed as the Minister's Delegate under the Chipping Norton Lake Authority Act. Although the Chipping Norton Lake Authority Act allows for the establishment of a community consultative committee, such a committee has not been established since major work concluded several years ago.

Administration of the Chipping Norton Lake Authority was conducted from the Wollongong Office of the Department of Trade and Investment, Regional Infrastructure (DTIRIS), Crown Lands.

The office address of the Chipping Norton Lake Authority is:

**Level '0' State Office Block
84 Crown Street Wollongong
PO Box 867 Wollongong NSW 2520**

T: 4275 9471 F: 4225 0480

Business Hours: 8.30 am to 5.00 pm (Monday to Friday)

**ORGANISATIONAL STRUCTURE RELEVANT TO
THE CHIPPING NORTON LAKE AUTHORITY
as at 30 June 2013**

Minister for Regional Infrastructure and Services
The Hon A. Stoner, MP

Minister for Primary Industries
The Hon K. Hodgkinson, MP

CHIPPING NORTON LAKE AUTHORITY

**Department of Trade
Investment , Regional
Infrastructure (DTIRIS)**
Crown Lands

Minister's Delegate
Brian Dooley
BE, M Eng Sc

Business Support Officer
Pam Outtrim

Support from *DTIRIS*

ACTIVITIES OF THE AUTHORITY

The Chipping Norton Lakes Scheme consists of some 350 hectares, 30 kilometres (by river) from Botany Bay. The lake scheme is surrounded by extensive urban and industrial areas. The scheme functions as a green oasis in the midst of large population centres within Bankstown, Liverpool and Fairfield City Council areas.

During 2012/13 no construction or rehabilitation works were undertaken and no income was received other than bank interest.

LAND DIVESTMENT

Land held under Authority title includes the bed of the Georges River and the Lakes within the Scheme boundary.

Once restored, the administration of individual parcels of land is transferred by gazettal to become Crown Land. Details of parcels of land that have been or are proposed to be divested are listed in Appendix A.

In the past, the Minister responsible for the management of Crown Land appointed Fairfield City Council, Bankstown City Council and Liverpool City Council to be trustees of divested public lands within their respective areas.

The names given to various developments in the Chipping Norton Lake Scheme were selected with regard to the history of the area. Place names are listed at Appendix B. Names selected are generally those of the early nineteenth century settlers, eminent people associated with the area as well as names of Aboriginal origin.

LEASES AND LICENCES

In the past years the Authority administered the management of various sand extraction and filling operations for the rehabilitation of the lakes scheme. All such operations have concluded and all leases and licences have been terminated.

APPROVALS WITHIN THE DEVELOPMENT AREA

No approvals were requested or given during 2012/13.

OTHER MATTERS OF INTEREST

Compliance with key responsibilities defined in the provisions of the Annual Reports (Statutory Bodies) Act, 1984 as amended and associated Regulations.

Consideration for 2012/13	Comment
Employees and OH&S Issues	The CNLA has no employees
Boards and Committees	The CNLA has no Board or active committee
Government Grants	The CNLA received no grant payments
Legal Change	There was no change to the CNLA Act during 2012/13
Nature of Activities	There were no works undertaken in 2012/13
Research	There was no research undertaken in 2012/13
Consultants	There were no consultants engaged in 2012/13
Equal Employment Opportunity	The CNLA has no employees
Consumer Response	No complaints were received
Insurance	The CNLA is covered by the Department of Trade and Investment, Regional Infrastructure (DTIRIS) arrangements
Audit and Risk Management	The CNLA has been essentially non-operational for several years. Accounting, management and procurement services are provided by DTIRIS which has a complying Audit and Risk Committee
Public Availability	The Annual Report will be available at the CNLA's office in Wollongong. A copy will be made available for inclusion on the website of DTIRIS.

Chipping Norton Lake Authority

FINANCIAL STATEMENTS

For the year ended 30 June 2013

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STATEMENT BY MINISTER

Certificate under Section 41 C (1B) and (1C) of the Public Finance and Audit Act 1983

Pursuant to the *Public Finance and Audit Act, 1983*, I declare that in my opinion:

- a) The accompanying financial statements exhibit a true and fair view of the financial position of the Chipping Norton Lake Authority as at 30 June 2013, and transactions for the year then ended.
- b) The financial statements have been prepared in accordance with:
 - The applicable Australian Accounting Standards, which include Australian Accounting Interpretations; and
 - The requirements of the *Public Finance and Audit Act 1983*, the Public Finance and Audit Regulation 2010 and the Treasurer's Directions.
- c) There are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



The Hon. Andrew Stoner, MP

Deputy Premier and

Minister for Regional Infrastructure & Services

Date : 20/11/13



The Hon. Katrina Hodgkinson, MP

Minister for Primary Industries

21.11.13



INDEPENDENT AUDITOR'S REPORT

Chipping Norton Lake Authority

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Chipping Norton Lake Authority (the Authority), which comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

The Ministers' Responsibility for the Financial Statements

The Minister for Primary Industries and the Minister for Regional Infrastructure & Services are jointly responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the Ministers jointly determine is necessary to enable the preparation of financial statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation of the financial statements that give a true and fair view in order to design audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made jointly by the Ministers, as well as evaluating the overall presentation of the financial statements.

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

My opinion does *not* provide assurance:

- about the future viability of the Authority
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



Grant Hehir
Auditor-General

21 November 2013
SYDNEY

Chipping Norton Lake Authority

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$'000	2012 \$'000
Expenses			
Other operating expenses	2	14	38
Total Expenses		14	38
Revenue			
Contributions	3(a)	3	15
Other revenue	3(b)	6	8
Total Revenue		9	23
SURPLUS/(DEFICIT) FOR THE YEAR		(5)	(15)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(5)	(15)

The accompanying notes form part of these financial statements

Chipping Norton Lake Authority

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	Note	2013 \$'000	2012 \$'000	1 July 2011* \$'000
Current Assets				
Cash and cash equivalents	4(a)	182	189	199
Receivables	5	1	1	1
Total Current Assets		183	190	200
Non-Current Assets				
Property, plant and equipment				
- Land	6	2,670	2,670	2,670
- Infrastructure Systems	6	275	275	275
Total Non-Current Assets		2,945	2,945	2,945
Total Assets		3,128	3,135	3,145
Current Liabilities				
Payables	7	12	14	9
Total Current Liabilities		12	14	9
Total Liabilities		12	14	9
Net Assets		3,116	3,121	3,136
Equity				
Accumulated funds		3,116	3,121	3,136
Total Equity		3,116	3,121	3,136

*See Note 13 for Details regarding the restatement as a result of an error.

The accompanying notes form part of these financial statements

Chipping Norton Lake Authority

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	Note	Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2012		3,121	3,121
Deficit for the year		(5)	(5)
Total comprehensive income for the year		(5)	(5)
Balance as at 30 June 2013		3,116	3,116
Balance at 1 July 2011		191	191
Adjustment of correction of error	13	2,945	2,945
Restated total equity at 1 July 2011		3,136	3,136
Deficit for the year		(15)	(15)
Total comprehensive income for the year		(15)	(15)
Balance as at 30 June 2012		3,121	3,121

The accompanying notes form part of these financial statements

Chipping Norton Lake Authority

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$'000	2012 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
- Payments to Suppliers		(13)	(20)
Receipts			
- Other receipts		-	2
- Interest received		6	8
NET CASH FLOWS FROM OPERATING ACTIVITIES	8	(7)	(10)
NET INCREASE/(DECREASE) IN CASH		(7)	(10)
Opening Cash and cash equivalents		189	199
CLOSING CASH AND CASH EQUIVALENTS	4	182	189

The accompanying notes form part of these financial statements

Chipping Norton Lake Authority

Notes to the financial statements For the year ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

The Chipping Norton Lake Authority (the Authority) was established pursuant to the *Chipping Norton Lake Authority Act 1977 No 38*, and the responsibility for its administration was vested jointly in the Minister for Primary Industries and the Minister for Regional Infrastructure and Services by the Allocation of the Administration of Acts 2011 (No 3 - Amendment).

The Authority primarily operates in New South Wales, Australia. The main purpose of the Authority was to rehabilitate a 5km reach of the Georges River that had been degraded by uncontrolled sand extraction in the 1960's. Work to restore the river, which is now complete, entailed the creation of a diverse 600 hectares recreational parkland between Fairfield, Liverpool and Bankstown. The office is located at 84 Crown Street Wollongong, NSW 2500.

The Authority is a statutory body and a separate reporting entity. There are no other entities under its control.

The Authority is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.

These financial statements for the year ended 30 June 2013 have been authorised for issue by the Deputy Premier as well as the Minister for Primary Industries on the date the accompanying 'Statement by Minister' was signed.

(b) Basis of preparation

The Authority's financial statements are general purpose financial statements which have been prepared in accordance with:

- the applicable Australian Accounting Standards, which include Australian Accounting Interpretations;
- the requirements of the *Public Finance and Audit Act 1983* and Regulation and
- the Financial Reporting Directions issued by the Treasurer.

Judgements, key assumptions and estimations management has made, are disclosed in the relevant notes to the financial statements.

These financial statements are prepared in accordance with the historical cost convention.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

Chipping Norton Lake Authority

Notes to the financial statements For the year ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Statement of compliance

These financial statements and notes comply with the Australian Accounting Standards, which include Australian Accounting Interpretations.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of revenue are discussed below:

(i) Contributions

Contributions from Government and other bodies are generally recognised as income when the Authority obtains control over the assets comprising the contributions. Control over contributions is normally obtained upon the receipt of cash.

(ii) Sale of Goods

Revenue from the sale of goods is recognised as revenue when the Authority transfers the significant risks and rewards of ownership of the assets.

(iii) Rendering of Services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

(iv) Investment Revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

(v) Rental Revenue

Rental revenue is recognised in accordance with AASB 117 Leases on a straight-line basis over the lease term.

(e) Insurance

The Authority's insurance activities are conducted through the NSW Treasury Managed Fund scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past experience and the insurance coverage is reviewed periodically to ensure that it is adequate.

Chipping Norton Lake Authority

Notes to the financial statements For the year ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Accounting for the goods and services tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except:

- The amount of GST incurred by the Authority as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense.
- Receivables and payables are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(g) Maintenance

The day-to-day servicing costs or maintenance are charged as expenses as incurred.

(h) Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are recognised in the surplus / (deficit) for the year when impaired, derecognised or through the amortisation process.

Short term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Accounts are generally issued on 30 day terms.

(i) Payables

These amounts represent liabilities for goods and services provided to the Authority and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(j) Comparative information

Except where an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

Chipping Norton Lake Authority

Notes to the financial statements For the year ended 30 June 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Equity

Accumulated Funds

The category accumulated funds includes all current and prior period retained funds.

(l) In-kind contributions

In-kind contributions are recorded as revenue and expense in the Statement of Comprehensive Income at fair value.

(m) Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the NSW Treasury Policy and Guidelines Paper Valuation of Physical Non-Current Assets at Fair Value (TPP 07-01). This policy adopts fair value in accordance with AASB116 Property, Plant and Equipment.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there are no feasible alternative uses for any asset, such as the lake bed of Lake Chipping Norton, that asset is valued at fair value for its existing use. When there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost. Thus the Authority has valued assets under **direct comparison method of valuation** having referenced to current market transactions of comparable properties in the surrounding localities. The basis of the valuation is in accordance with the relevant Treasury Policies and Accounting standards and is accepted as valid for financial reporting purposes.

(n) Depreciation of Property, plant and equipment

Land is not a depreciable asset.

Chipping Norton Lake Authority

Notes to the financial statements For the year ended 30 June 2013

(o) New Australian accounting issued but not effective

- AASB 9, AASB 2010-7 and AASB 2012-6 regarding financial instruments
- AASB 10 *Consolidated Financial Statements*
- AASB 11 *Joint Arrangements*
- AASB 12 *Disclosure of Interests in Other Entities*
- AASB 13 AASB 2011-8 and AASB 2012-1 regarding fair value measurement
- AASB 119, AASB 2011-10 and AASB 2011-11 regarding employee benefits
- AASB 127 *Separate Financial Statements*
- AASB 128 *Investments in Associates and Joint Ventures*
- AASB 1053 and AASB 2010-2 regarding differential reporting
- AASB 2010-10 regarding removal of fixed dates for first time adopters
- AASB 2011-2 regarding Trans-Tasman Convergence – RDR
- AASB 2011-4 removing individual KMP disclosure requirements
- AASB 2011-6 regarding RDR and relief from consolidation
- AASB 2011-7 regarding consolidation and joint arrangements
- AASB 2011-12 regarding Interpretation 20
- AASB 2012-1 regarding fair value measurement – RDR requirements
- AASB 2012-2 regarding disclosures – offsetting financial assets and financial liabilities
- AASB 2012-3 regarding offsetting financial assets and financial liabilities
- AASB 2012-4 regarding government loans – first time adoption
- AASB 2012-5 regarding annual improvements 2009-2-11 cycle
- AASB 2012-7 regarding RDR
- AASB 2012-9 regarding withdrawal of Interpretation 1039
- AASB 2012-10 regarding transition guidance and other amendments
- AASB 2012-11 regarding RDR requirements and other amendments

Chipping Norton Lake Authority

Notes to the financial statements For the year ended 30 June 2013

2. OTHER OPERATING EXPENSES

	2013 \$'000	2012 \$'000
Auditors remuneration (i)	7	7
In Kind support	3	15
Fees for services	4	16
	<u>14</u>	<u>38</u>

(i) Auditor remuneration covers auditing of the financial statements by the Audit Office of New South Wales. The auditors received no other benefits. The audit fee for the 2013 audit is \$7,000 (2012 - \$6,500).

3. REVENUE

(a) Contributions

Contributions received:

Contributions in kind	<u>3</u>	<u>15</u>
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In Kind contributions are provided by Department of Trade and Investment, Regional Infrastructure and Services (DTIRIS) for accounting, management and engineering services.

3(b) Other Revenue

Interest received	<u>6</u>	<u>8</u>
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4. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

Cash at bank and on hand	<u>182</u>	<u>189</u>
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There are no restrictions over how cash balance can be used.

5. CURRENT ASSETS – RECEIVABLES

Goods and services tax recoverable	<u>1</u>	<u>1</u>
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Details regarding Credit Risk, Liquidity risk and Market risk including financial assets that are either past due or impaired are disclosed in Note 11.

Chipping Norton Lake Authority

Notes to the financial statements For the year ended 30 June 2013

6. NON – CURRENT ASSETS: PROPERTY, PLANT AND EQUIPMENT

	Land	Infrastructure Systems	Total
	\$'000	\$'000	\$'000
At 1 July 2012 - fair value			
Gross carrying amount	2,670	275	2,945
Accumulated depreciation	-	-	-
Net Carrying amount	2,670	275	2,945

At 30 June 2013 - fair value			
Gross carrying amount	2,670	275	2,945
Accumulated depreciation	-	-	-
Net Carrying amount	2,670	275	2,945

Reconciliation

	Land	Infrastructure Systems	Total
	\$'000	\$'000	\$'000
Year ended 30 June 2013			
Net carrying amount at start of period	2,670	275	2,945
Additions	-	-	-
Disposals	-	-	-
Depreciation expense	-	-	-
Net carrying amount at end of period	2,670	275	2,945

	Land	Infrastructure Systems	Total
	\$'000	\$'000	\$'000
At 1 July 2011 - fair value			
Restated Gross carrying amount	2,670	275	2,945
Accumulated depreciation	-	-	-
Net Carrying amount	2,670	275	2,945

At 30 June 2012 - fair value			
Gross carrying amount	2,670	275	2,945
Accumulated depreciation	-	-	-
Net Carrying amount	2,670	275	2,945

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting year is set out below:

	Land	Infrastructure Systems	Total
	\$'000	\$'000	\$'000
Period ended 30 June 2012			
Net carrying amount at start of period	2,670	275	2,945
Additions	-	-	-
Disposals	-	-	-
Net revaluation increment less revaluation decrements	-	-	-
Depreciation expense	-	-	-
Net carrying amount at end of period	2,670	275	2,945

Chipping Norton Lake Authority

Notes to the financial statements For the year ended 30 June 2013

7. CURRENT LIABILITIES - PAYABLES

	2013 \$'000	2012 \$'000
Accrued expenses	12	14

Details regarding Credit Risk, Liquidity risk and Market risk, including a maturity analysis of the above payables are disclosed in Note 11.

8. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Cash

For the purpose of the Statement of Cash Flows, cash includes cash at bank and cash on hand.

Cash and cash equivalents recognised in the statement of financial position are reconciled to statement of cash flows.

(b) Reconciliation of cash flows from operating activities to surplus/(deficit) for the year

	2013 \$'000	2012 \$'000
Net cash flows from operating activities	(7)	(10)
Adjustment for non cash items:		
Decrease/(increase) in payables	2	(5)
Surplus/(Deficit) for the year	(5)	(15)

9. COMMITMENTS FOR EXPENDITURE

(a) Operating lease commitments

The Authority did not have any operating lease payable commitments at balance date.

(b) Finance lease payable commitments

The Authority did not have any finance lease payable commitments at balance date.

Chipping Norton Lake Authority

Notes to the financial statements For the year ended 30 June 2013

10. CONTINGENT LIABILITIES / ASSETS

The Authority is not aware of any material contingent liabilities or assets as at 30 June 2013 (2012 - nil).

11. FINANCIAL INSTRUMENTS

The Authority's principal financial instruments are outlined below. These financial instruments arise directly from the Authority's operations or are required to finance the Authority's operations. The Authority does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Authority's main risks arising from financial instruments are outlined below, together with the Authority's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Authority's Minister has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Authority, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the DTIRIS Audit and Risk Committee.

(a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount	Carrying Amount
Class:			2013	2012
			\$'000	\$'000
Cash and cash equivalents	4	N/A	182	189
Receivables ¹	5	Loans and receivables (at amortised cost)	-	-
Financial Liabilities	Note	Category	Carrying Amount	Carrying Amount
Class:			2013	2012
			\$'000	\$'000
Payables ²	7	Financial liabilities measured at amortised cost	12	14

Notes

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7).

2. Excludes unearned revenue (i.e. not within scope of AASB 7).

Chipping Norton Lake Authority

Notes to the financial statements For the year ended 30 June 2013

11. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Credit risk

Credit risk arises when there is the possibility of the Authority's debtors defaulting on their contractual obligations, resulting in a financial loss to the Authority. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Authority, including cash and receivables. No collateral is held by the Authority. The Authority has not granted any financial guarantees.

Credit risk associated with the Authority's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

(i) Cash and cash equivalents

Cash comprises cash on hand and in banks.

(ii) Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

There are no receivables past due or impaired as at 30 June 2013.

(c) Liquidity risk

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

During the current and prior years, there were no defaults or breaches on any payables. No assets have been pledged as collateral. The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. If trade terms are not

Chipping Norton Lake Authority

Notes to the financial statements For the year ended 30 June 2013

11. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Liquidity risk (CONTINUED)

specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. NSW TC 11/12 allows the Minister to award interest for late payment.

The table below summarises the maturity profile of the Authority's financial liabilities, together with the interest rate exposure.

Maturity analysis and interest rate exposure of financial assets and liabilities:-

	\$'000				Maturity Dates		
	Interest Rate Exposure						
	Nominal Amount ¹	Fixed Interest Rate	Variable Interest Rate	Non- interest bearing	< 1 yr	1-5 yrs	> 5 yrs
2013							
Payables	12	-	-	12	12	-	-
Total	12	-	-	12	12	-	-
2012							
Payables	14	-	-	14	14	-	-
Total	14	-	-	14	14	-	-

Notes

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which the Authority can be required to pay.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Authority's exposure to market risk is minimal as it has no borrowings and has no investments in NSW Treasury Corporation hour glass facilities. The Authority has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on surplus or deficit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the balance date. The analysis is performed on the same basis for 2012. The analysis assumes that all other variables remain constant.

Chipping Norton Lake Authority

Notes to the financial statements For the year ended 30 June 2013

11. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk

As the Authority has no interest bearing liabilities its exposure to interest rate risk is minimal. The Authority does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore for these financial instruments a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/-1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Authority's exposure to interest rate risk is set out below.

\$'000					
	Carrying Amount	-1% Surplus/deficit	Equity	1% Surplus/Deficit	Equity
2013					
<i>Financial Assets</i>					
Cash and cash equivalents	182	(2)	(2)	2	2
2012					
<i>Financial Assets</i>					
Cash and cash equivalents	189	(2)	(2)	2	2

(e) Fair value compared to carrying amount

Financial instruments are generally recognised at cost. The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value because of the short term nature of the financial instruments.

12. AFTER BALANCE DATE EVENTS

All land and fixed assets were transferred from the Chipping Norton Lake Authority (CNLA) on 13 September 2013 to the Department of Trade and Investment Regional Infrastructure and Services (DITIRS) Crown Lands based on the decision to transfer as published in the NSW Government Gazette on that day. The Land assets were transferred at the agreed value and were based on the recent valuation completed by Peter McGovern, Land and Property Information.

Chipping Norton Lake Authority

Notes to the financial statements For the year ended 30 June 2013

13. CORRECTION OF ERROR

Within the period of audit, a prior year error was realised concerning the value of assets held by the CNLA with the failure to properly disclose the value of land and fixed assets. The error was corrected by undertaking a complete and independent revaluation of lands held by the CNLA and associated infrastructure.

The Prior Year Error has been adjusted in accordance with paragraph 43 of AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* with the adjustment dating back to 30th June 2011 in line with the recent valuation for the same period.

A valuation report undertaken by Land and Property Information confirmed that fair value of land as at 30 June 2013 was \$2.945m. The valuation process was conducted in accordance with the relevant Treasury Policies and Accounting standards and the land and fixed assets are now correctly disclosed in the 30th June 2013 Financial Statements.

	30th June 2012	Increase/ Decrease	30th June 2012 (Restated)	30th June 2011	Increase/ Decrease	1st July 2011 (Restated)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance Sheet (extract)						
Net Assets	176	-	176	191	-	191
Property, plant & equipment	-	2,945	2,945	-	2,945	2,945
Net Assets	176	2,945	3,121	191	2,945	3,136
Accumulated funds	176	2,945	3,121	191	2,945	3,136
Total Equity	176	2,945	3,121	191	2,945	3,136

End of audited financial statements

APPENDIX A - LAND MANAGEMENT AND DIVESTMENT

Sites owned and occupied by the Chipping Norton Lake Authority

Liverpool LGA

Wet Land Only - The remaining parts of:

Lot 45	DP 11948	Approx area 1.451 hectares (ha)
Lot 46	DP 11948	Approx area 1.302 ha
Lot 47	DP 11948	Approx area 5.59 ha
Lot 48	DP 11948	Approx area 4.61 ha
Lot 2	DP 216188	Approx area 10.52 ha
Lot 1	DP 539178	Approx area 1.363 ha
Lot 2	DP 539178	Approx area 2.013 ha
Lot 399	DP 752034	Approx area 4.059 ha
Lot 340	DP 752034	Approx area 5.57 ha
Lot 342	DP 752034	Approx area 4.274 ha
Lot 348	DP 752034	Approx area 4.609 ha
Lot 351	DP 752034	Approx area 0.8785 ha
Lot 352	DP 752034	Approx area 5.456 ha
Lot 392	DP 752034	Approx area 1.748 ha
Lot 452	DP 752034	Approx area 0.5354 ha

Dry and Wet Land - The whole of:

Lot 1	DP 1068542	Area 0.1715 ha – mostly wet land
Lot 2	DP 1068542	Area 0.0645 ha – mostly dry
Lot 1	DP 822205	Area 0.7893 ha – partly tr sealed roadway
Lot 1	DP 504126	Area 1.315 ha – wet land
Lot 2	DP 504126	Area 2.023 ha – wet land
Lot 1 from Lot 7021	DP 1068542 DP 1028082	area approx 0.029 ha – mostly dry land

Fairfield LGA

Wet Land Only - The remaining parts of:

Lot 8 Section J	DP 2151	Approx area 0.6837 ha
Lot 9 Section J	DP 2151	Approx area 0.699 ha
Lot 10 Section J	DP 2151	Approx area 0.6787 ha
Lot 11 Section J	DP 2151	Approx area 0.6985 ha
Lot 12 Section J	DP 2151	Approx area 0.6753 ha
Lot 13 Section J	DP 2151	Approx area 0.7256 ha
Lot 14 Section J	DP 2151	Approx area 0.7479 ha
Lot 15 Section J	DP 2151	Approx area 0.8193 ha

Dry and Wet Land - The whole of:

Lot 16 Section J	DP 2151	Area 0.9358 ha – mostly wet land
Lot 17 Section J	DP 2151	Area 0.9611 ha – mostly wet land
Lot Section J	DP 2151	Area 0.9662 ha – mostly we land
Lot 19 Section J	DP 2151	Area 0.9485 ha – mostly wet land
Lot 1	DP 1069154	Area 0.89 ha – as dry land
Lot 1	DP 1063654	Area 0.33 ha – Wharf Road – tar sealed
		And closed roads being Howard Street and Rowleys Point Road, Lansvale – area 0.96 ha – tar sealed

Bed of Cabramatta Creek – approx 2.64 hectares

Bed of Georges River – approx 49.84 hectares

Lands divested to the Crown to 30/6/2012

Town/Suburb	Area(ha)	Local Govt Area	Current Use
Georges Hall	4.43	Bankstown City	Garrison Point Beatty Reserve Kentucky Reserve Rabaul Road
Lansvale	12.88	Fairfield City	Cherrybrook Park Hoy Park Lakeside Walk
Lansvale	0.40	Fairfield City	Eora Beach
Chipping Norton	0.15	Liverpool City	Norton Avenue
Chipping Norton	12.76	Liverpool City	South Park
Lansvale	5.10	Fairfield City	Strong Park
Chipping Norton	4.00	Liverpool City	Bulba-Gong Island
Chipping Norton	11.15	Liverpool City	Chauvel Park
Chipping Norton	8.90	Liverpool City	Angle Park (Part)
Chipping Norton	14.47	Liverpool City	Black Muscat Park
Moorebank	8.37	Liverpool City	Haigh Park (Part)
Lansvale	4.09	Fairfield City	Rowley park (Part) Willow Park
Chipping Norton	3.52	Liverpool City	Homestead Park (Part)
Chipping Norton	1.21	Liverpool City	Grand Flaneur Beach (Part)
Chipping Norton	0.55	Liverpool City	Westlake Point
Chipping Norton	0.30	Liverpool City	Agnes Healy Beach
Lansvale	10.24	Fairfield City	Howard Park
Lansvale	14.70	Fairfield City	Hollywood Park and Coot Island
Chipping Norton	21.71	Liverpool City	Heron Park
Moorebank	2.40	Liverpool City	Lake Moore Wetlands (Part)
Chipping Norton	4.04	Liverpool City	Homestead Park (Part)
Chipping Norton	3.37	Liverpool City	Thomas Moore Park
Moorebank	0.75	Liverpool City	Gandangara Island
Moorebank	0.38	Liverpool City	Ngamba Island
Moorebank	0.20	Liverpool City	Ngaku Island
Chipping Norton	0.54	Liverpool City	Daruk Island
Chipping Norton	0.53	Liverpool City	Grand Flaneur Beach (Part)
Chipping Norton	0.80	Liverpool City	Long Point
Moorebank	5.20	Liverpool City	Lake Moore Wetland (Part)
Moorebank	0.20	Liverpool City	Haigh Park Beach
Chipping Norton	1.13	Liverpool City	Angle Park (Part)
TOTAL	158.47		

APPENDIX B - Chipping Norton Lake Scheme Geographical Names

No. on Plan	Geographical Name Assigned	Suburb	Council	Origin of Name
1	Cherrybrook	Lansvale	Fairfield	Pre-existing name
2	Lakeside Walk	Lansvale	Fairfield	Description of Development
3	Bulba-Gong	Chipping Norton	Liverpool	Aboriginal name derived from "Bulba": Island & "Gong" bird
4	Strong Park	Lansvale	Fairfield	W.M. Strong Grantee 1800
5	Hollywood Park	Lansvale	Fairfield	Pre-existing name
6	Heron Park	Chipping Norton	Liverpool	Bird of the area
7	Black Muscat Park	Chipping Norton	Liverpool	Grape variety grown on area's farms
8	Homestead Park	Chipping Norton	Liverpool	Brick and stone Homestead built by the Hon. William Long MLC in the 1800's
9	Angle Park	Chipping Norton	Liverpool	James Angle Brickmaker and Grantee 1799
10	South Park	Chipping Norton	Liverpool	Formerly Chippendale could be confused with suburb of same name
11	Bulba-Dibeen	Moorebank	Liverpool	Aboriginal name derived from "Bulba" Island and "Dibeen" flock of birds
12	Thomas Moore	Moorebank	Liverpool	Thomas Moore Shipbuilder and Grantee 1805. Liverpool Magistrate 1815
13	Haigh Park	Moorebank	Liverpool	Louis Haigh former Mayor of Liverpool 1880
14	Chauvel Park	Moorebank	Liverpool	Charles and Elsa Chauvel, Pioneer Australian film makers
15	Grand Flaneur	Chipping Norton	Liverpool	Champion racehorse trained at this location. Won Melbourne Cup 1880
16	Rowley Park	Lansvale	Fairfield	Thomas Rowley, Grantee 1798
17	Chipping Norton Lake	Chipping Norton	Liverpool	Name chosen by the Hon. W. Long in 1880's
18	Lake Moore	Moorebank	Liverpool	Thomas Moore, Grantee 1805
19	Hoy Park	Lansvale	Fairfield	Timothy Hoy Brickmaker long term resident arrived in NSW in 1808
20	Howard Park	Lansvale	Fairfield	Adjacent to Howard Street
21	Floyd Bay	Lansvale	Fairfield	Cyril D. Floyd former Principal Engineer, Public Works
22	Dhurawal Bay	Chipping Norton	Liverpool	Aboriginal tribal name
23	Willow Park	Lansvale	Fairfield	Adjacent to Willow Close
24	Daruk Island	Chipping Norton	Liverpool	Aboriginal tribal name
25	Long Point	Chipping Norton	Liverpool	Early landowner William Long

No. on Plan	Geographical Name Assigned	Suburb	Council	Origin of Name
26	Eora Beach	Lansvale	Fairfield	Aboriginal tribal name
27	Coot Island	Chipping Norton	Liverpool	Native bird common in area
28	Crescent Island	Lansvale	Fairfield	Based on shape of island
29	Bass Island	Cabramatta	Fairfield	Fish in the area
30	Gandangara Island	Moorebank	Liverpool	Aboriginal tribal name
31	Ngamba Island	Moorebank	Liverpool	Aboriginal tribal name
32	Ngaku Island	Moorebank	Liverpool	Aboriginal tribal name
33	Westlake Point	Chipping Norton	Liverpool	Wal Westlake, past Legal Officer, Assistant Director of Public Works
34	Ascot Point	Chipping Norton	Liverpool	Close to Ascot Drive
35	Beatty Point	Georges Hall	Bankstown	Admiral Sir David Beatty, Royal Navy, Lord of the Admiralty (1871-1936)
36	Lawrence Beach	Chipping Norton	Liverpool	Original landowner in the area
37	Agnes Healey Beach	Chipping Norton	Liverpool	Nurse Agnes Healey, Pioneer of Liverpool
38	Backwater Beach	Moorebank	Liverpool	Local feature
39	Haigh Beach			see Haigh Park
40	Angle Park Boat Ramp			see Angle Park
41	Bradbury Wharf	Cabramatta	Fairfield	Boatshed owner in the 1930's
42	Dowling Beach	Lansvale	Fairfield	Mrs Dowling, pioneer of the area
43	Podmore Beach	Lansvale	Fairfield	Nurse Podmore lived in the area
44	Shearer Park	Lansvale	Fairfield	Mrs E. Shearer, Community Worker in this area
45	Howards Boat Ramp	Cabramatta	Fairfield	Refreshment Rooms owner adjacent Lansdowne Bridge in 1930's

APPENDIX C

Provisional Budget 2013/14 and Comparative Budget with Actual for 2012/13

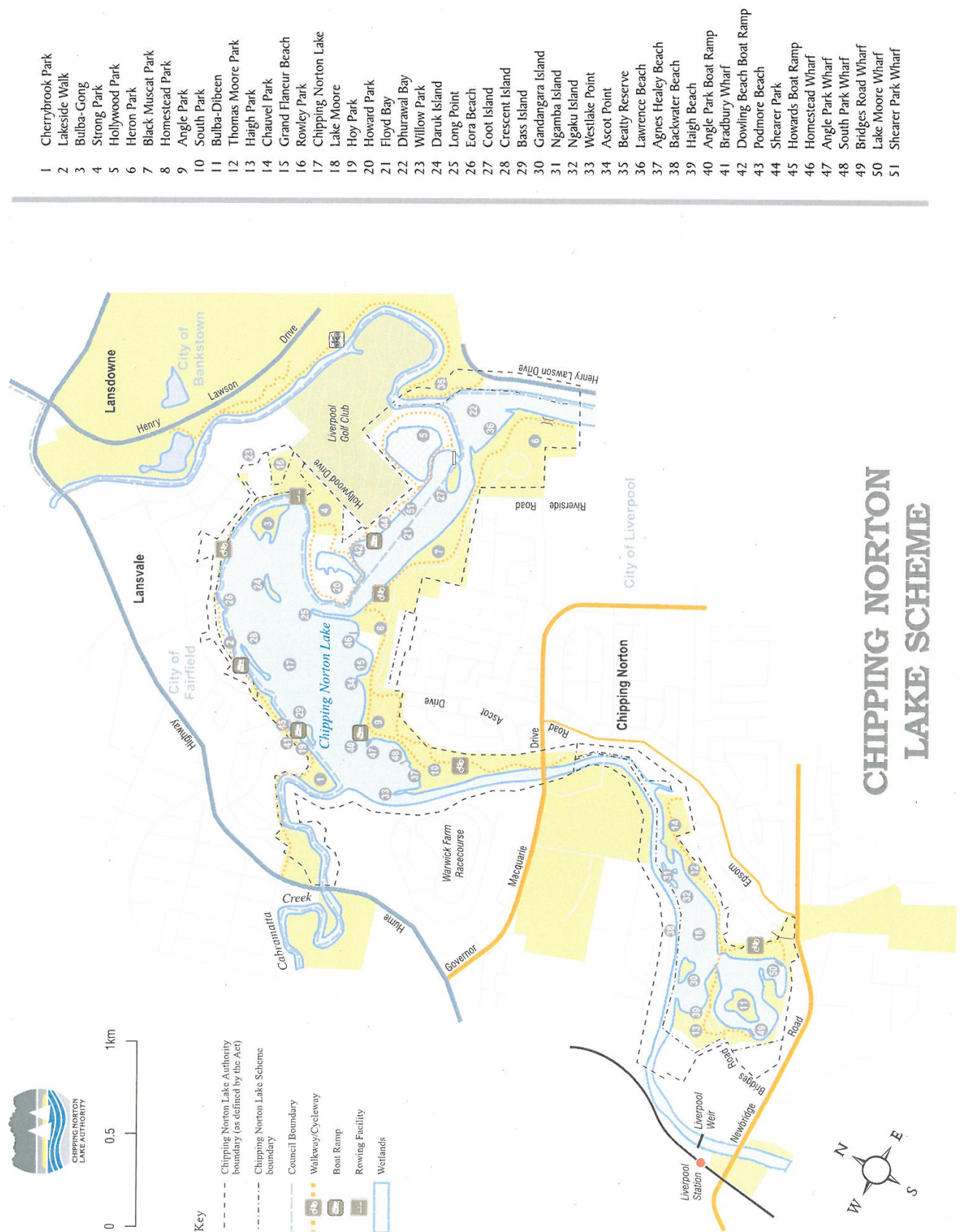
This analysis of income and expenditure is based on a cash basis and excludes in kind contributions provided by DTIRIS.

Notes	INCOME	Budget 2013/14 \$'000	Actual 2012/13 \$'000	Budget 2012/13 \$'000
	N.S.W. Government Grant	0	0	0
1	Interest	6	6	8
	TOTALS	6	6	8

Notes	DEVELOPMENT AND OTHER EXPENDITURE			
2	Administration and Management	0	0	0
3	Audit, Insurance, Vehicles, Accommodation	18	14	7
4	Chipping Norton Lake	0	0	0
5	Other	6	0	5
	Total	24	14	12
	NET SURPLUS/(DEFICIT)	(18)	(8)	(4)

Notes:

1. Interest received on cash at bank
2. Administration and management costs
3. Audit fee, land valuation fees
4. No work on lake bodies proposed 2013/14
5. Includes costs associated with closing the Authority anticipated in 2013/14





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