



# 2018-2019 ANNUAL REPORT

ISSN:2651-9607

*"Promoting our future through diversity"*



## Acknowledgement

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Council acknowledges the Wiradjuri people as the Traditional Owners of the land of which the Carrathool Shire local government area is a part, and pays its respects to their Elders, past and present.

## Community Vision and Values

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To achieve the vision, six key strategic themes and goals were created to guide Council, business and community in delivering the vision.

### VISION

Carrathool Shire Council and the Community will work together to protect and delivery quality of life in harmony with economic development and environmental sustainability.

### GOALS

- Promoting Community Health and Wellbeing;
- Caring For and Protecting Our Natural Built Environment;
- Developing Community Strength and Capability;
- Growing and Diversifying our Economic Base;
- Fostering and Promoting a Rich Cultural Life;
- An Innovative, Effective and Representative Council.

## Viewing Annual Report

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A copy of this annual report and various other Council publications are available on Council's website [www.carrathool.nsw.gov.au/council/publications](http://www.carrathool.nsw.gov.au/council/publications).

Hard copies of this report are available for viewing in Council offices and Library:

- Goolgowi Council Chambers – 9-11 Cobram Street, Goolgowi
- Hillston District Office – 139-145 High Street, Hillston
- WG Parker Memorial Library – 175 High Street, Hillston

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# Welcome to Carrathool Shire Council's Annual Report 2018-19

## Purpose of this Report

The Annual Report is the key method for Council to maintain accountability and transparency with the community and is prepared in accordance with the Local Government Act 1993 and the Local Government Regulation 2005.

The Annual Report provides a comprehensive account of the Carrathool Shire Council's performance from 1 July 2018 to 30 June 2019 and details the progress made against the 2018/2019 Operational Plan.

The audited financial statements for the 2018/2019 reporting period are included within this Annual Report.

## Report Structure

The Annual Report includes information on the region, the organisation and Councillors, as well as specific information required under legislation and is comprised of three sections.

The first section provides an overview of our Council, including the Mayor's and General Manager's Message.

The second section contains highlights from Corporate & Community Services, Planning & Regulatory Services, Infrastructure Services and HR/Risk Management.

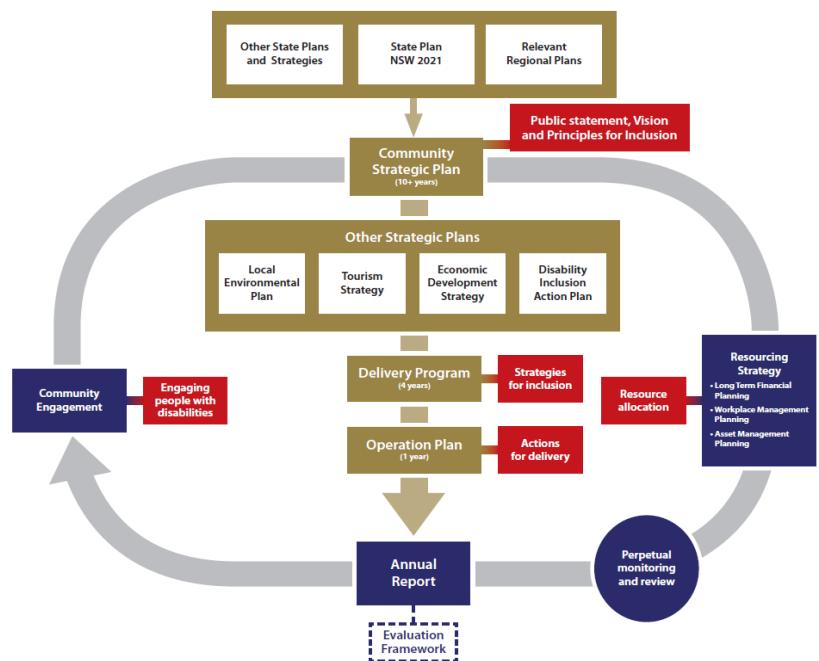
The third section of the report contains additional information on legislative requirements not covered in the main body of the report.

## Integrated Planning and Reporting Framework

The Integrated Planning and Reporting (IP&R) Framework promotes integration with community based objectives, informed by state-level plans cascading down through to Council for implementation.

IP&R necessitates a 'whole-of-council' approach to long, medium and short term planning and is comprised of the following key elements:

- Community Strategic Plan
- Resourcing Strategy
- Delivery Program
- Operational Plan
- Quarterly Progress Reports
- Annual Report
- End of Term Report



Council reports bi-annually on its performance against the Delivery Plan in February and August each year. The key issues identified as the challenges facing Carrathool Shire over the next ten years are, water security, changing demographics, aging population, young people moving from the district, economic constraints, Government regulations and managing the balance between community expectations and Council's ability to deliver.

Council's achievements in implementing its Community Strategic Plan are detailed in the attached Performance Report (Appendix 1).

## Message from the Mayor & General Manager

Much has happened since our last annual report was prepared and we will briefly mention some of the significant events during the 2018/2019 reporting period.

During the year Council was identified as a drought affected community and became eligible for \$1,000,000 of funding in drought relief, funded from the Federal Government. Council utilised the funds for various projects across the shire undertaking upgrades to our halls, pools and amenities and was able to provide much needed infrastructure upgrades across the town and villages of the shire. The funding allowed for an injection of cash into our business community. A well-received program.

Council also received news that it had been successful in receiving approximately \$1.5 million under the Stronger Country Communities Funding, again a substantial investment into the future of Carrathool Shire by the State Government. Council was again able to spread the benefits across the shire communities.

An area of concern for Council and though while not a Council responsibility has been the provision of medical services to Hillston. It is very satisfying that during the second half of the year Council was able to source a doctor to provide a regular practice to Hillston and the wider community.

Roadworks within the shire are always a priority, it is always pleasing that Council is able to maintain the road network and provide additional sealing works to enable produce from our productive area to efficiently gain access to markets.

A project that has been many years in planning is finally coming to fruition the bridge over the Murrumbidgee River at Carrathool. Though not quite completed at the time of writing this report the opening of the bridge is scheduled for early next financial year. Council resolved in November 2018 to name the bridge "Merrylees Bridge" in honour of former Councillor Margaret Merrylees.

Finally, in January 2019, Rick Warren was welcomed as the General Manager, bringing over 25 years of knowledge and experience within rural Local Government areas.

We are proud of Councils achievements during the 2018/2019 year and commend the annual report to you.



*Mayor Peter Laird*



*Rick Warren*

*General Manager*



SHIRE OF CARRATHOOL  
COUNCIL CHAMBERS

# About Carrathool Shire Council

## Location

Carrathool Shire Council is located on the western plains of New South Wales approximately 700 kilometres south-west of Sydney, 550 kilometres north of Melbourne and is situated in close proximity to the regional centre of Griffith.

Carrathool Shire is a large rural Shire having an area of 19,000 square kilometres and five urban centres including the town of Hillston and the villages of Goolgowi, Merriwagga, Carrathool and Rankins Springs.

It is traversed by the Murrumbidgee and Lachlan Rivers, the Mid Western Highway and the Kidman Way. Willandra, Cocoparra and Willandra National Parks are also a feature of the area. Each community is unique and has its own point of difference.

## History

Carrathool is named from an Aboriginal word meaning "Native Companion". The original inhabitants of the Carrathool area were the Wiradjuri Aboriginal people.

Carrathool Shire Council was originally proclaimed Willandra Shire on 3 March 1906 and renamed the Carrathool Shire on 13 February 1907, the first council meeting was held at the Carrathool Family Hotel on 5 December 1906. In 1934, council meetings were relocated to Goolgowi.

In 1943 the Municipality of Hillston was amalgamated with the Carrathool Shire Council.

Carrathool Shire Council celebrated its centenary in 2006 and the Hillston Township celebrated its sesquicentenary in 2016.



*Carrathool Shire Councillors 2006 – Centenary Celebrations*

## Lifestyle

Carrathool Shire is a unique area based primarily on quality agricultural production and delivering a quality of life to be envied.

The town and villages feature excellent recreation facilities which have been established with a great deal of community effort and pride.

The Shire is serviced by a multi-purpose service (hospital) and medical services located in Hillston.

Hillston also boasts a well stocked library, including a monthly mobile library service for the surrounding villages.

## Work and Study

Whilst still predominantly an agricultural based Shire, we have diversified greatly from small dryland cereal growing and large grazing pursuits to irrigation crops such as cotton, walnuts, olives, rice, corn, cherries, vegetables, potatoes and citrus. A number of chicken farm developments have also been established within the area.

All villages except Merriwagga are serviced by public schools, with Hillston providing a private Catholic school and a Central School to year 12.



# Our Council

## Councillors

The people of Carrathool Shire are represented by 10 Councillors who are elected once every four years. The Shire is divided into two wards with five Councillors elected from each ward. The next Local Government Election is due to be held in September 2020.

The Mayor is elected by the Councillors biennially in September at the Ordinary Meeting of Council. At the September 2018 Ordinary Meeting of Council, the Councillors voted Cr Peter Laird to serve as Mayor and Cr Darryl Jardine to serve as Deputy Mayor for the following two years.

## Ward A



**Cr Peter Laird**  
Mayor

Elected in 1984

**Meetings attended: 15**



**Cr Darryl Jardine**  
Deputy Mayor

Elected in 2004

**Meetings attended: 15**



**Cr David Fensom**

Elected in 2008

**Meetings attended: 15**



**Cr Geoff Peters**

Elected in 2012

**Meetings attended: 14**



**Cr Brett Lewis**

Elected in 2016

**Meetings attended: 8**

## Council meetings

During 2018-2019, eleven ordinary council meetings and four extraordinary council meetings were held. The agendas and minutes of these meetings are available on Council's website.

Council continued to hold its meetings on the third Tuesday in the month, with meetings commencing at 10.00 am.

In accordance with Council policy one meeting per annum is conducted in an urban centre other than the shire headquarters in Goolgowi or the district office in Hillston. The October ordinary council meeting was held in Merriwagga.

## Ward B



**Cr Russell Campbell**

Elected in 1997

**Meetings attended: 15**



**Cr Bill Kite**

Elected in 2004

**Meetings attended: 14**



**Cr Michael Armstrong**

Elected in 2012

**Meetings attended: 12**



**Cr Beverly Furner**

Elected in 2016

**Meetings attended: 15**



**Cr Scott Groat**

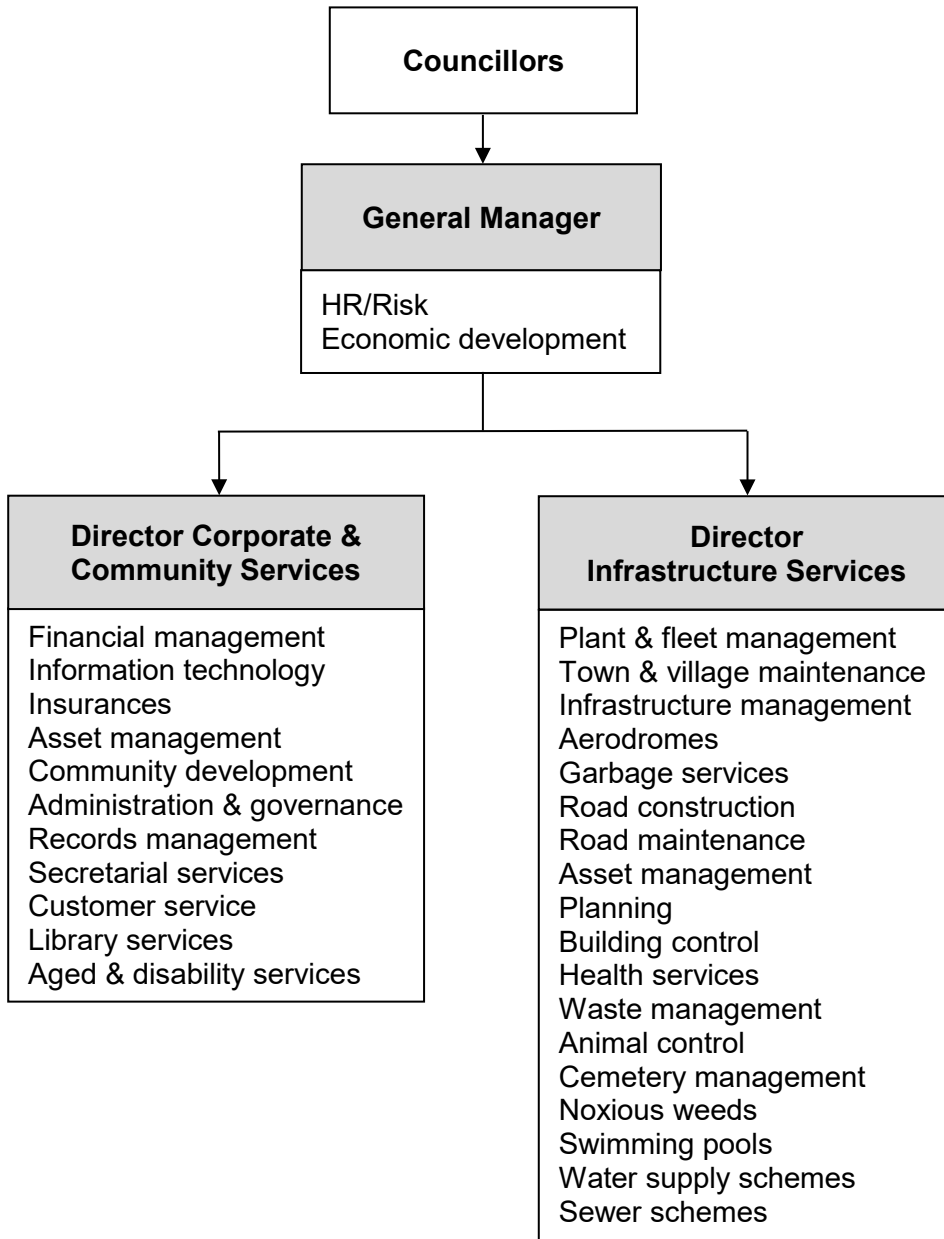
Elected in 2016

**Meetings attended: 12**



# Organisation Structure

The organisation structure in 2018/2019 was aligned under two directorates.





# HR / Risk Highlights

## Our People

Council has a staff complement of 100.8 full time equivalent employees as at 30 June 2019.

**27 permanent indoor positions**



**55 permanent outdoor positions (incl. fixed term positions)**



**26 casual / temporary positions**

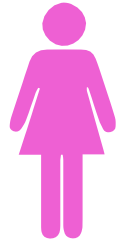


The average age of our staff is **48.23**.

### Gender Balance:



**54.62% males**



**45.38% females**

Approximately half our staff are positioned at the operational level (48.62%) with management representing 5.88% of the workforce.

In 2018/2019 the following human resources activities were undertaken:

- revision of Council's Workforce Strategy that forms part of Council's Integrated Planning & Reporting framework;
- continued support for traineeships apprenticeships, a graduate program and skills acquisition across the organisation in professional, technical, administrative and operational areas;
- continued support for Work Experience Students and Work Placement programs;
- implementation and revision of policies and procedures relevant to human resources.

## Recruitment and Retention

During 18/19, Council's staff turnover was **15.13%**. Exit questionnaires were completed by the majority of staff and several employees participated in an exit interview. Reasons for staff turnover included, but were not limited to retirement, taking positions within the private sector and relocation.

Council actively recruited 40 employees to fill the vacant positions identified within the organisational structure, newly created positions within the realigned structure and additional positions outside the structure on a casual basis.

Attraction and retention of skilled positions continues to be a key initiative in Council's Workforce Strategy.

## Consultative Committee / EEO Committee

The Consultative Committee had four meetings during the reporting period and covered many topics including:

- a salary structure review
- revised performance review process
- corporate training plan
- recruitment
- policy and procedure development
- scheduled learning and development and health surveillance "Carrathool Kick Start Day"
- committee member elections.

The Consultative Committee acts as the EEO Committee as part of its ongoing commitment to Council's EEO program. The aim of the EEO Committee is to work with all employees towards a discrimination and harassment free workplace. EEO matters reviewed included:

- Adoption of a five (5) year EEO Management Plan;
- Reporting on EEO statistics across EEO groups such as Aboriginal/Torres Strait Islander, non-English speaking background (NESB) staff, staff with a physical or intellectual disability and women;
- HR practices were reviewed - recruitment techniques, selection criteria, training and staff development programs, with a view to identify any discriminatory practices.

## Training and Development

Council is committed to providing its employees with quality leadership, job satisfaction and effective training and development within a safe and healthy work environment with equity and fairness.

Council's Corporate Training Plan considers all obligations and ensures that objectives can be effectively met, subject to overall budgeting constraints.

During 2018/2019, Council offered a range of professional development opportunities to staff:

Building Surveyor Professional Development
Cert III Civil Construction
Cert III Water Operations
Chemcert Reaccreditation
Confined Spaces Training
Environmental Health Professionals
FBT
First Aid Reaccreditation
Forklift Training
Leadership Program
Microsoft Office Programs
Promoting Library Activities
Recognising Grasses
Records Management
RTW for Supervisors
Sharps Training
Tourism and economic professional development
Traffic Control
Water Industry Training
WHS for Supervisors
Work Near Overhead Powerlines

Council continued its successful 'Carrathool Kick Start' – a health, wellbeing and training day. The day is designed to facilitate mandatory training in an interactive manner along with providing an opportunity for staff to participate in health and wellbeing screening activities.



Kick Start Health Screening Station – Louise Fisk and Wally Lamont

## Staff Health and Well Being

Council continues to offer health screening initiatives and wellbeing programs for staff when funding allows. This year, mini health checks were undertaken including flexibility, cholesterol and blood pressure.

Council's insurer, Statewide Mutual introduced the Continuous Improvement Pathway (CIP) in 2012 and CIP Workbooks in 2017/18. The CIP focuses on the continuous improvement of Council's risk management systems and is built around the principles of participation, benchmarking, engagement and improvement.

Areas considered by Carrathool Shire Council in 2018/2019 include Roads, Bitumen and Asphalt Resurfacing, Playgrounds, and Swimming Pools.

### Work Health & Safety

Council endeavour to promote a safe culture and develop WHS and Risk Management best practices within its workforce. Council's WHS Committee meet on a quarterly basis and is comprised of representatives from each work group, an elected union representative and a management representative.

The WHS Committee carried out quarterly safety inspections of the following Council work sites:

Goolgowi Council Chambers
Goolgowi Depot Yard, Stores and Workshop
Goolgowi Swimming Pool
Hillston Caravan Park
Hillston Depot and Yard
Hillston District Office
Hillston Sewerage Treatment Works
Hillston Swimming Pool
WG Parker Memorial Library

### Reducing Council's Risk Exposure

Risks are inherent in every business decision, identifying and managing those risks – and opportunities – is critical to ensuring our Council is robust and sustainable. Council is committed to integrating the systematic and proactive management of risks and opportunities to the 'way we do business at all levels'.

Initiatives to reduce Council's risk exposure continued to be implemented in 18/19 including:

- revision of Council's Risk Management Plan, and Risk Appetite Framework
- Development of Council's risk register in collaboration with staff,
- analysis and controls of insurable risks.

# Economic Development

## Economy

In 2018/2019, the economy of Carrathool Shire was calculated to be \$213 million according to the latest data from the Australian Bureau of Statistics. However, continuing drought conditions across the shire will have a marked negative effect on our grain harvest this season, and many farmers are incurring additional costs by having to feed stock. Whilst our major economic drivers continue to be the traditional activities such as grazing and cereal cropping, there is a strong contribution to our overall economy by the emerging industries such as chicken growing, intensive horticulture, nuts and olives.

## Logistics and Workforce

Council, in collaboration with surrounding Council's, continue to advocate to both State and Federal Governments for better regional roads and transport hubs in accordance with our Regional Economic Development Strategy of which freight and logistics play an important part. Carrathool into the future will need a streamlined, cost-effective logistics chain to deliver our commodities to both export ports and domestic markets.

As a small Shire with a workforce of approximately 1,300 people, 60% of residents are employed in the agricultural sector, the remaining 40% are employed in other sectors including public administration, education, health care, transport, accommodation and food services. The shire also rely on a imported transient workforce, the backpacker sector, to work in the many agribusiness operations in the Shire. In peak periods, there can be as many as 300 external workers, which is a high proportion when compared to our resident workforce.

## Tourism

Carrathool Shire continues to welcome "grey nomads" with their caravans to the Shire. The major routes for this travelling sector are the Kidman Way and the Mid Western Highway, both which cross through our Shire. Council operated caravan parks provide overnight opportunities which is an important part of our visitor economy.

2018 also saw increased promotion of our shire with the production and printing of a new "Kidman Way 'Backtrack to the Outback' brochure and new "Carrathool Gateway to the Outback" brochure.

## Australia Day

The 2019 Australia Day celebrations were hosted by the Goolgowi Community at the Goolgowi Community Hall, catering was provided by the Goolgowi Community Hall 355 Committee and the Goolgowi Ex-servicemen's Club Committee, all community members that pitched in to organise, set up and serve on the day did a wonderful job.

The event was attended by approximately 100 people who celebrated the achievements of all individuals and community groups nominated.

Emily Perkins from JBS Feedlot, Tabitta was honoured to be the 2019 Carrathool Shire Australia Day Ambassador. Emily spoke of her accomplishments and congratulated the 2018 award recipients alongside Mayor Peter Laird.



Citizen of the Year Geoff Hale & Sportsperson of the Year Billy Hale

Australia Day Ceremonies provide us with an opportunity to stop, reflect and recognise the contribution made to the community by many of our residents on a voluntary basis and it is always heartening to see our young people give of themselves in this way.

## Youth Week

Youth Week 2019 celebrations commenced in Goolgowi with a Pizza and Trivia Afternoon at the Goolgowi Ex-Servicemen's Club. This was followed by a Skateboarding Clinic at the Hillston Skate Park.

All events were well attended by our local youth.



Goolgowi Public School – Skate Park Worksite Excursion

## Grant funding received 2018/2019

Council received the following grant funding to support projects across the Carrathool Shire LGA. All of these projects contribute to the well-being and liveability in our Shire.

Financial Assistance Grant (FAG)	\$3,628,020.00
FAG – Local Roads	\$2,357,270.00
Local Bridges – State	\$3,360,731.00
Local Bridges – Federal	\$3,389,600.00
Federal Government Road to Recovery Program	\$1,076,548.00
RMS State Roads	\$2,118,257.00
RMS Block Grants (Regional Roads)	\$1,920,189.00
Lachlan River Bank Stabilisation Plan	\$57,402.00
Crown Land Planning	\$100,000.00
SCC R1 – Hillston Swinging Bridge Refurbishment & Hillston Desatholon Park Walking Track	\$581,414.00
SCC R1 – Goolgowi Skate Park Construction	\$181,623.00
SCC R2 – Goolgowi Recreation Amenity Improvements	\$86,000.00
SCC R2 – Hillston & Goolgowi Pool Amenities Refurbishment	\$140,000.00
SCC R2 – Hillston Caravan Park Refurbishment and Upgrades	\$551,475.00
SCC R2 – Hillston Tennis Court Upgrade	\$262,668.00
SCC R2 – Rankins Springs Recreation Ground Lighting and Grounds Upgrade	\$66,891.00
SCC R2 – Shade Sails for Shire Playgrounds Project	\$120,000.00
SCC R2 – Shire Entry and Welcome Signs	\$180,000.00
Drought Communities Funding – Hillston Community LED Signage	\$13,009.00
Drought Communities Funding – Hillston Tourism and Event Street Banners	\$12,000.00
Drought Communities Funding – Tom Curtain “Speak Up” Outback Experience	\$14,500.00
Drought Communities Funding – Carrathool Racecourse Facilities Upgrade	\$60,129.00
Drought Communities Funding – Goolgowi Portable Grandstands	\$55,500.00
Drought Communities Funding – Hillston Aerodrome Fencing	\$105,839.00
Drought Communities Funding – Hillston Bowls Club Irrigation Upgrade	\$51,750.00
Drought Communities Funding – Hillston Golf Club Solar Irrigation System	\$43,610.00
Drought Communities Funding – Hillston Lake Woorabinda Walking Track	\$158,300.00
Drought Communities Funding – Hillston Showgrounds Water Upgrade	\$31,818.00
Drought Communities Funding – Rankins Springs Oval Lighting Upgrade	\$63,000.00
Drought Communities Funding – Carrathool Hall Air Conditioning and Floor Polish	\$29,400.00
Drought Communities Funding – Carrathool Recreation Reserve Amenities Upgrade	\$10,000.00
Drought Communities Funding – Goolgowi Pool Tiling Upgrade	\$89,600.00
Drought Communities Funding – Goolgowi Recreation Reserve Facilities Upgrade	\$21,363.00
Drought Communities Funding – Gunbar Rest Area	\$48,700.00
Drought Communities Funding – Hillston Hall Heating	\$45,454.00
Drought Communities Funding – Hillston Red Dust & Paddy Melon Gallery Upgrade	\$21,000.00
Drought Communities Funding – Hillston Skate Park Refurbishment	\$34,000.00
Drought Communities Funding – Hillston Showground Amenities Upgrade	\$36,028.00
Drought Communities Funding – Goolgowi Settlers Park Walking Trail	\$55,000.00
Building Better Regions – Local Supply Chain Multiplier Opportunities	\$60,000.00
Office of Veterans Affairs – Gunbar Honour Boards Assessment	\$1,500.00
Office of Veterans Affairs – Gunbar Panel	\$5,000.00
Youth Week	\$3,361.00
Tech Savy Seniors Program	\$5,000.00
Library Grants	\$22,602.00
Multi Service Outlet Grants	\$340,800.00
	<b>\$21,616,351.00</b>



Family at Memorial Park Hillston



# Corporate & Community Services Highlights

## Financial Results

Council reported an operating deficit before capital grants and contributions of \$1.844 million for the year ended 30 June 2019 (2018 – surplus of \$1.692 million).

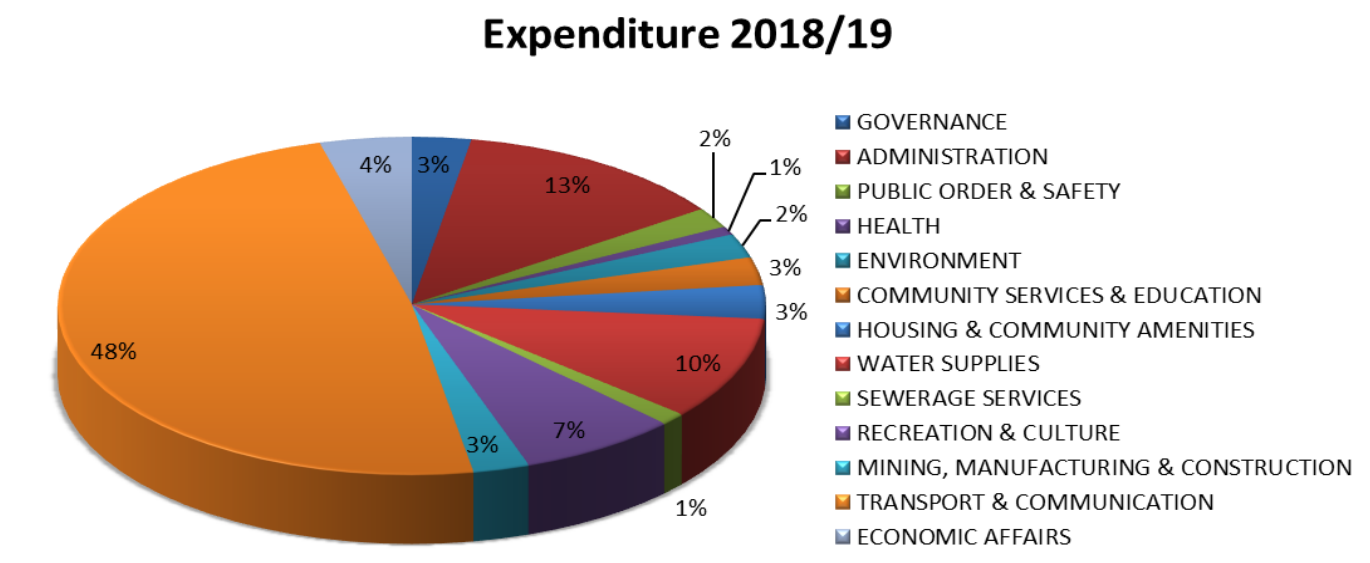
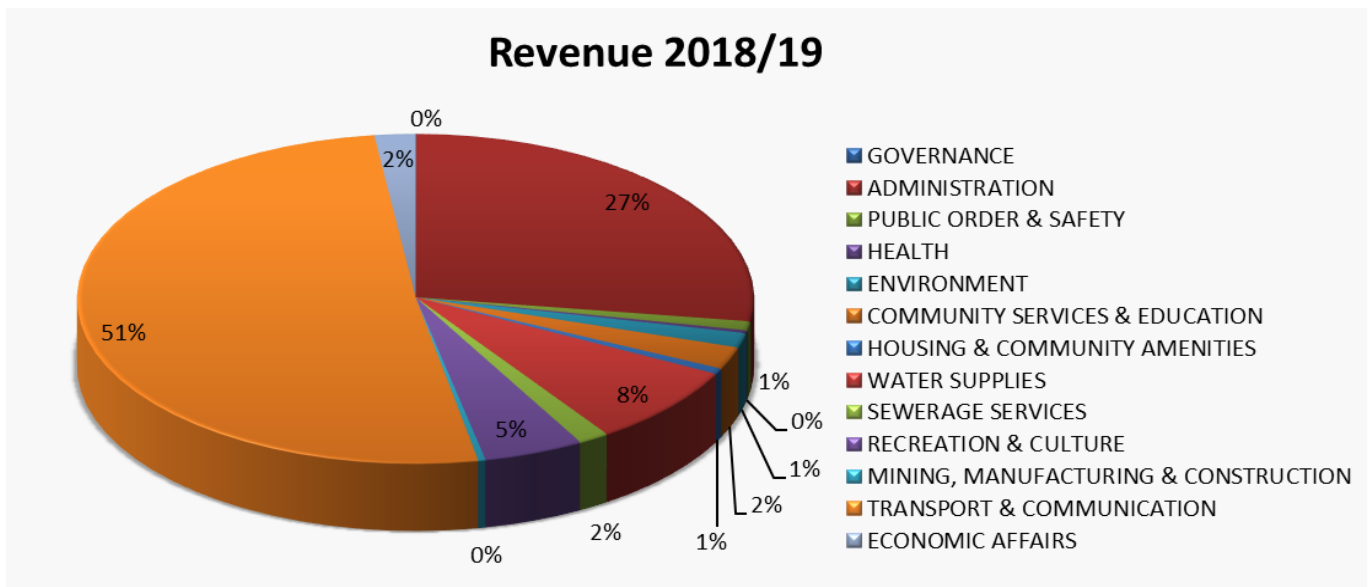
Excluding capital grants and contributions, operating revenues for the year were \$22.028 million a decrease of approximately 5.17% on the previous years figure (\$23.23 million), whilst during the same period operating expenses \$23.872 million, including depreciation expenses of \$7.755 million, increased approximately 10.83%.

A breakdown of Council's operating revenues and expenses by function for the year is as follows:

In addition to operating revenues, Council received capital grants and contributions amounting to \$8.001 million (2018 - \$1.78 million).

In the twelve month period to 30 June 2019 Council's operating result from continuing operations (including capital grants and contributions) was a surplus of \$6.157 million compared with a surplus of \$3.47 million in the previous year.

For further financial information including the Audit Report please refer to the Financial Statements attached to this report.



## Library Services

Council's vision for the WG Parker Memorial Library is for our local community to view it as their **"Third Place"**, and, to become a provider of Agency Services in conjunction with the traditional role of the library as a recreational and educational provider to our Community. Our visitor figures indicate that we have continued to make inroads into the delivery of services that meet the needs of our Community and we will continue to be open and responsive to this need.

### 2018/2019 stats:



**1,208**  
Members



**35,513**  
Visits



**17,186**  
Items borrowed



**2,785**  
Mobile library loans



**1,217** bookings



**2,537** Sessions

**Circulation**  
**per capita**

**6.1**

### Community access / services offered

Included in the library building are offices for rent. One office is used by Centrelink as a Centrelink access centre and the other two are permanently used by (3) employment agencies that visit Hillston on a fortnightly basis. Interagency meetings, My Health and other Government services utilise the library for meetings and information days. TAFE NSW Riverina Institute have video conferencing facilities permanently located in the library where students regularly enrol for courses. JP services are also available.

### Educational programs

The following educational programs were held at the library during 2018/2019:

- My Health Record Information Sessions
- "Be Connected" Technology class for Seniors, the grant funding also enabled us to purchase new iPads for our Senior's classes.

### Events

During 2018/2019 the Library held the following events for all residents and visitors:

- Book Week 2018: Lisa Shanahan was our visiting book week presenter, local schools participated in book week with all students enjoying Lisa's presentation and workshop. The Margaret Merrylees Book Week Award was won by Cade Anderson from RSPS.
- We joined in National Simultaneous Storytime
- School Holidays included regular Storytime's and Xbox club.
- Seniors Week 2019: 110 Senior's attended our Seniors Week Luncheon with entertainment provided by Storyteller Jo Henwood at the Hillston Ex-Servicemen's Club.



↑ "Be Connected" for Seniors - Margaret Little with trainer Angela Higgins

← Book Week Author Lisa Shanahan presenting to students.

## Aged and Disability Services

The Multi Service Outlet provides a wide variety of services to all the Carrathool Shire Council community members. Services cater for those who are frail, aged, people with disabilities and their carers who may need additional support to assist them to live comfortably in their own homes. Short term care packages are available for people needing help to recover and maintain independence after being in hospital.

Assistance is also available to community members who live in remote or isolated areas through social support and/or community transport.

The aim of the service is to provide a range of care through the Commonwealth Home Support Programme (CHSP), Home Care Packages (HCP) and Community Transport.

### Statistics for 2018-2019:

#### Domestic Assistance (cleaning / shopping)



**1,468 hrs**

#### Social Support (visiting, telephone monitoring, assisting with shopping)

**833 hrs**

#### Home Care Packages

**19**



#### Flexible Respite - for carers



**195 hrs**

#### Meals On Wheels (fresh cooked meals or frozen orders)



Meals on Wheels

**639**



#### Trips - CHSP Over 65 - community transport - medical, shopping & social

**1,193**

#### Trips - CTP Under 65 - community transport - medical & shopping

**890**

#### Home Modification (small modifications, ramps & rails)



**\$22,803**

#### Home Maintenance (lawns & gardening)



**807 hrs**

#### Centre Based Respite

**192 hrs**



Merrylees (Carrathool) Bridge Construction – June 2019

# Infrastructure Services Highlights

## Public Works

Council owns, operates and maintains many public works facilities including the following:

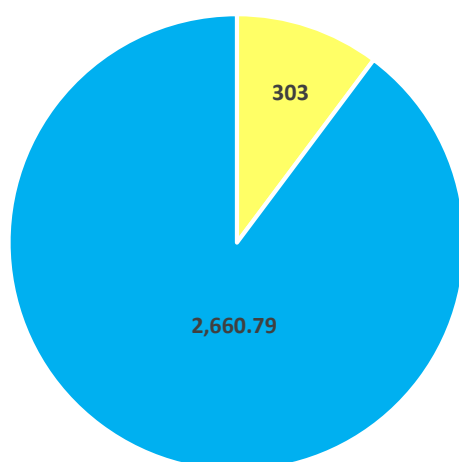
- Roads
- Bridges, culverts and stormwater drains
- Footpaths, kerb and gutters and street trees
- Buildings and public amenities
- Aerodromes
- Flood mitigation levees
- Reserves, parks and gardens
- Water treatment works & reticulation systems
- Sewer treatment works & reticulation systems
- Caravan parks
- Cemeteries
- Swimming pools
- Garbage disposal sites.

Special Schedule 7 of the Financial Statements contained within Appendix 2 contains financial information in relation to the condition of Council assets. The estimated cost to bring public works up to a satisfactory standard is \$2.46 million. The required annual maintenance cost of public works for 2018/2019 is \$3.14 million. The current annual maintenance cost of public works for 2018/2019 was \$2.24 million.

## Roads

Carrathool Shire's geographic area of 19,000 square kilometres includes a total road length of 2,963.79 km; of this 2,660.79 km is controlled by Council with the remaining 303 km (State Highways) under the control of Roads and Maritime NSW (RMS).

Road Ownership - km



■ RMS State Highway    ■ Council Roads

Council is responsible for the maintenance of urban, local and regional roads and manages the maintenance activities for the Kidman Way and Burley Griffin Way on behalf of the RMS.

Council Roads	Length km
Sealed	508.71
Unsealed	2,152.08
<b>Total</b>	<b>2,660.79</b>

RMS State Highways	Length km
Kidman Way (MR80S & MR410S)	148
Burley Griffin Way (MR84S)	9
Mid Western Highway (SH6)	123*
Cobb Highway (SH21)	24*
<b>Total</b>	<b>303</b>

\* Not part of RMS Road Maintenance Council Contract

During 2018/2019 the following road works were undertaken:

### Roads 2 Recovery Program (R2R)

Road Name	Type	Cost
Erigolia Road	New Pave & Seal	\$150,283.66
Erigolia Road	Reseal	\$131,049.96
Mount Grace Road	Resheet	\$63,351.48
MR321 Springs Road	Heavy Patching	\$107,896.08
Lachlan River Road	Reseal	\$395,609.65
Stipa Street	Reseal	\$12,036.48
Waide Street	Reseal	\$14,661.97
Herriot Street	Reseal	\$14,661.97
Gordon Street	Reseal	\$15,236.91
Billings Road	Resheet	\$77,514.17
Pinteebakana Road	Resheet	\$95,681.34
Smiths Road	Pave and Seal	\$76,997.27
Mitchells Road	Resheet	\$67,916.78
Carrathool Road	Edge Repair	\$57,223.62
<b>Total</b>		<b>\$1,280,121.34</b>

### RMS Block Grant – Capital Works

Road Name	Cost
MR368 Initial Seal	\$374,132.00
MR501 Initial Seal	\$532,465.00
<b>Total</b>	<b>\$906,588.00</b>

**RMS Repair Program – Capital Works**

Road Name	Type	Cost
MR368 Springs Road West End	Pave and Seal	\$522,256.00
<b>Total</b>		<b>\$522,256.00</b>

**Local Roads – Capital Works**

Road Name	Type	Cost
Smiths Road	Pave & Seal	\$400,000.00
Hillston Heavy Vehicle Bypass	Survey & Design	\$100,000.00
Merriwagga Road	Reseal	\$55,000.00
Carrathool Road	Resheet	\$150,000.00
Bary Scenic Drive	Resheet & Construct New Floodway	\$165,621.00
Ilkadoon Road	Gravel Resheet	\$10,500.00
<b>Total</b>		<b>\$881,121.00</b>



Smiths Road - Hillston Heavy Vehicle Bypass

Other works undertaken during the reporting period include, maintenance grading, pavement repair, mowing, pavement sweeping, guide posting, weed control, rest area maintenance, inspections, litter removal and storm damage repair work.

Roadside clean ups of state, regional and local roads were also undertaken by volunteer groups across the Shire as a fundraising activity.

**Footpaths, Kerb and Guttering****Footpaths:**

- New construction in Stipa Street Goolgowi from Farrer Street to Penney Street
- New construction in Napier Street Goolgowi from Farrer Street to Penney Street

**Kerb & Gutter**

- New Construction in Rose Street

**Floodplain Management**

The Lachlan Street Levee project was completed in 2018. A new flood plain management study is to be undertaken in the 2019/2020 financial year.

**Aerodromes**

Council provides two airfields to service the shire, these key assets support economic activity, health and emergency services.

- An unsealed landing strip in Goolgowi.
- Hillston has a sealed 18 m wide and 1,300 m long strip with an unsealed cross strip and Pilot Activated Lighting System.

Regular inspections, reporting and maintenance were undertaken during 2018/2019.

**Plant & Fleet**

Council maintains a large plant and fleet program in order to undertake the scale of construction and maintenance contained in the Roads & Maritime Services (RMS) Routine Maintenance Council Contract and for Council's regional and local roads.

**NET Major  
Plant Purchases  
2018/2019  
\$933,745**

**Reserves, Parks & Gardens**

Council maintains various parks and gardens in all urban areas and carries out works ranging from mowing and watering to landscaping. Modern playground equipment is also provided and is subject to a regular inspection program. All parks and gardens are maintained in a satisfactory condition.

Achievements during 2018/2019 include:

- New sprinkler system in Lions Park Hillston
- New watering system in Carrathool Park
- Macfarlane Park Hillston upgrade including BBQ seating and shelter, playground equipment, sprinkler system and tree line plantation.
- New fence at rear of Memorial Park Hillston
- New fence at Hillston Aerodrome
- Water system upgrade for centre garden in High Street Hillston
- New septic system at Rankins Springs Recreation Ground
- Refurbishment of Carrathool Recreation Ground
- Kerb and gutter replacement Rose Street Hillston
- Footpath replacement Stipa and Napier Streets Goolgowi

## Water Supplies

Council is committed to managing its water supply effectively to provide a safe, high-quality drinking water that consistently meets the current version of Australian Drinking Water Guidelines, consumer and other regulatory requirements. Potable water is supplied to the township of Hillston and villages of Goolgowi, Merriwagga, Carrathool and Rankins Springs.

During 2018/2019 Council completed the following capital works:

- Replacement of water main HDPE (Poly) Pipe:
  - 270 meters on High Street Hillston
  - 700 meters on Wollarma Road (Yoolaroi)
  - 2,200 meters on Back-Hillston Road (Yoolaroi)
  - 3,100 meters on Bunda Road (Bunda)
  - 400 meters on Merriwagga-Goorawin Road.
- New pump shed constructed at the Goolgowi potable pump station to accommodate new pumping system as a part of capital works upgrades to increase pressure and flow to the village.
- Goolgowi Village Meter Upgrade project saw 77 potable meters replaced. Additional upgrades are scheduled for 2019/20.
- Relining of 2 concrete tanks on Whitton-Stock Route (Rankins Springs Scheme).
- A new chlorine dosing system was installed and commissioned at the Goolgowi dam for the Yoolaroi Water Scheme to prevent biological growth on filters and reduce meter and mains maintenance cost.
- Installation of electromagnetic flow meters at various pump stations in order to manage water accounts more efficiently with further roll-out to continue in 2019-20.
- Increased access to pipeline route for maintenance and monitoring purpose on Erigolia, Yoolaroi and Bunda sections.

All Potable water schemes were tested as per Public Health Guidelines and were found to be performing satisfactorily throughout the year. Laboratory test results for microbiological and chemical quality are available on Council's Website.

No non-compliances were reported for any of the potable water schemes.

The Rankins Springs Water Treatment Plant commissioned in 2017/2018 is consistently performing well with residents encouraged to join the scheme.

## Sewerage Services

Council manages and maintains one sewage treatment plant (STP) at Hillston and oxidation ponds at Goolgowi and Rankins Springs.

The STP in Hillston provides secondary treatment of sewage, based on the extended aeration process with sludge treatment by anaerobic digestion in a sludge lagoon. The final treated effluent is disposed of via evaporation from the basins at the STP site.

Wastewater from Rankins Spring Water Treatment plant also pumps into the oxidation ponds after recycling.

The sewerage systems in place are designed to efficiently collect, transport and treat the sewage and liquid waste of the community in an efficient and cost-effective manner.

During 2018/2019 Council completed the following capital works:

- Jetting and cleaning of various sewer mains.

As Council does not discharge sewer into receiving water, there are no requirements for an EPA (Environment Protection Authority) licence.

Council runs an awareness campaign via Council's newsletter advising residents not to flush certain items that cannot be dissolve or break down in sewerage system to avoid sewer pipeline and pump blockages. During 2018/19 Council commenced testing of effluent water for ammonia and nitrate and found satisfactory results.



Hillston High Street, Mains Replacement

# Building and Regulatory Services

## Buildings & Public Amenities

Council controls land and buildings valued at:

# \$32.5 million

Regular maintenance to all public facilities will ensure they are kept in such a way that all health, accessibility and safety standards are addressed.

## Development & Building Control

Council's Local Environmental Plan (LEP) 2012 has been in place for six years and is generally accepted by the community. During 2019/20 the LEP will be reviewed for any anomalies or foreseeable problems, with a possible planning proposal to be submitted in the future.

In 2019/20 a Local Strategic Planning Statement outlining a 20 year vision for Carrathool Shire Council will be prepared.

During the reporting period Council approved the following with a total estimated construction value of \$17,576,932.

Development Applications	46
Complying Development Certificates	1

## Cemeteries

Council manages four cemeteries, these are located in Hillston, Goolgowi, Rankins Springs and Carrathool. Local community members assist in maintaining the cemetery surrounds and is appreciated by Council.

Council continues to maintain burial records in compliance with legislative requirements.

## Waste Management - Landfills

Council operate and maintain five waste management facilities including Landfill facilities in Hillston, Carrathool and Rankins Springs and waste transfer stations (WTS) in Merriwagga and Goolgowi with waste disposed at the Hillston landfill. All facilities have provision for green waste and recycling of scrap metals.

The Hillston, Goolgowi and Carrathool facilities operate under permanent supervision during restricted opening hours.

Support continues for "Drum Muster" with community groups managing the collection and inspections as part of their fund raising activities.

## Swimming Pools

Council maintains and operates two 25 metre swimming pools located in Hillston and Goolgowi. The complexes are open to the public from November to the end of March each year.

The Goolgowi pool is currently being upgraded and will be completed by the end of 2019. The upgrade includes new tiling for the 25 metre pool, the creation of a beach entrance, installation of water features and tiling of the toddlers pool. Improved drainage for pool surrounds and an upgrade of the filtration system.

## Caravan Parks

Council provides caravan park facilities at Hillston, Goolgowi and Rankins Springs. The parks are utilised by the travelling public and accommodation for itinerant workers.

Council is currently updating and modernising various Caravan Park assets.

## Weed Control

Council's weeds activities for 2018/2019 saw the continuation one Biosecurity Officer, associated equipment to control biosecurity threats, carry out inspections, and educate landholders throughout the shire's 19,000 sq km area.

### Private Property Inspection Program

During 2018/2019 Council officer conducted a private property inspection program focusing on Spiny Burr Grass, Johnson Grass, Parthenium Weed, Alligator Weed, Clockweed, Prickly Pear and African Boxthorn. Council also enlisting co-operation from local land managers through the use of property management plans particularly for Alligator Weed.

### Use of enforcement procedures for noxious weed control

No noxious weed orders were issued during the 2018/2019 period.

### Weed recording, mapping, survey and reporting activities:

Council's mapping program has included the development of maps indicating the extent/density of the following weeds:

- Alligator Weed
- Johnson Grass
- Spiny Burr Grass Map
- Coolatai Grass
- Silver Leaf Night Shade
- Clockweed.



# Statutory Reporting

Council is required to report on a number of items as set out in the Local Government Act 1993 and Local Government (General) Regulation 2005.

## Councillors' Fees & Expenses

*Local Government (General) Regulation 2005 Clause 217(1)(a1)*

Council's Payment of Expenses and Provision of Facilities policy identifies expenses that will be paid and facilities that will be provided to councillors in the discharge of their civic functions. The policy was reviewed in September 2018 and adopted by Council on 20 November 2018. Council's policy is available on Council's website.

In line with this policy, Councillors receive payment of out of pocket expenses for travelling and subsistence whilst undertaking Council business. Accommodation expenses are also paid for meetings, delegations and conferences held out of the Shire.

Expenditure during the 2018/2019 Financial Year:

Detail	Amount \$
Mayoral fees	\$23,283.28
Councillors' fees	\$113,956.61
Councillors' expenses:	\$27,207.17
<b>Total</b>	<b>\$164,447.06</b>

Councillor's expenses listed above include the following items which must be separately reported:

Detail	Amount \$
Provision of facilities	Nil
Telephone calls	Nil
Conferences and seminars	\$5,495.84
Training and skills development	Nil
Interstate travel	Nil
Overseas travel	Nil
Partner / spouse expenses	Nil
Childcare expenses	Nil

## Register of Overseas Travel

*Local Government (General) Regulation 2005 Clause 217(1)(a)*

No Council official travelled overseas as a Council representative during 2018/2019.

## Councillor Training & Skills Development

No Councillors undertook any training or skills development during the year.

## Remuneration Packages

*Local Government (General) Regulation 2005 Clause 217(1)(b)*

The General Manager (GM) is the only staff member designated as a senior staff member. The total remuneration for 2018/19 is as follows:

Detail	Amount \$
Salary	\$265,027.31
Employer compulsory superannuation	\$24,688.73
Bonus or other payments	\$168,407.60
Non-cash benefit (house, phone & car)	Nil
Total fringe benefits	\$15,748.02
<b>Total</b>	<b>\$473,871.66</b>

The GM, Mrs Joanne Treacy resigned from the position in August 2018. Council resolved on 18 September 2018, to appoint Mr Robert Rayner as Acting GM until the commencement of a permanent GM. Mr Rick Warren commenced duties as GM on 21 January 2019.

## Rates Charges Written Off

*Local Government (General) Regulation 2005 Clause 132*

Council wrote off the following rates and charges during the 2018/2019 financial year:

Detail	Amount \$
Rates Written Off	\$115.08
Water Charges Written Off	\$345.76
Sewer Charges Written Off	\$11.17
<b>Total</b>	<b>\$472.01</b>

During the year \$57,338.69 in rates and charges were written off under the pensioner rebate scheme, with Council receiving a subsidy totalling \$33,834.87.

One request to write off rates and charges under Council's Hardship Policy was received during 2018/2019 for the amount of \$1,024.50.

## Legal Proceedings

*Local Government (General) Regulation 2005 Clause 217(1)(a3)*

Council incurred the following legal costs during the 2018/2019 Financial Year:

Detail	Amount \$
Medical Centre Lease	\$5,163.62
Advice Section 8.3 (Planning)	\$600.00
Preschool Lease	\$2,033.82
<b>Total</b>	<b>\$7,797.44</b>

## Contracts Awarded

*Local Government (General) Regulation 2005 Clause 217(1)(a2)*

Council awarded the following contracts greater than \$150,000 during the 2018/2019 Financial Year:

Name	Nature	Amount
TR & HR Doven T/as Asset Building Systems	Desatholon Park Refurbishment Works	\$371,800.00
Bridge Check Australia Pty Ltd	Hillston Swinging Bridge Refurbishment Works	\$163,312.60
Westrac Pty Ltd	Caterpillar 950M Loader	\$347,000.00
Westrac Pty Ltd	Caterpillar 140M Motor Grader	\$453,200.00
GCM Agencies	Multipac 120H Self Propelled 20 Tonne Roller	\$174,900.00
GCM Agencies	Multipac 24 Tonne Self Propelled Roller	\$151,000.00
Total Creations & Services	Goolgowi Pool Upgrade	\$428,560.00
Craig McKeon Earthmoving	Lachlan Valley Way Pave & Seal	\$482,574.40
Craig McKeon Earthmoving	Roto Road Pave and Seal	\$407,000.00
LG Civil Pty Ltd	Erigolia and Roto Road Heavy Patching	\$332,310.00

## Contributions and Grants

*Local Government (General) Regulation 2005 Clause 217(1)(a5),  
Local Government Act 1993 Section 356*

Council recognises the importance of assisting not-for-profit community groups and organisations that are working towards the enhancement of facilities and improving community relations.

Detail	Amount \$
Community Grants Scheme 2018/2019 (17 applications)	\$24,063.79
Hillston Central School Awards Presentation	\$100.00
Seniors Week 2019	\$4,082.66
Anzac Day 2019	\$136.36
Fees waived for Stan Peters Oval use	\$850.00
Charles Sturt Scholarship Scheme 2019	\$6,000.00
Farmers & Community Ball	\$800.00
Tom Curtains "Speak up" Tour	\$12,793.25
Rankins Springs Public School Playground Project	\$1,000.00
<b>Total</b>	<b>\$49,826.06</b>

## Corporations, Partnerships, Trusts & Joint Ventures

*Local Government (General) Regulation 2005 Clause 217(1)(a7)*

Council held no controlling interest in any company during the 2018/2019 period.

*Local Government (General) Regulation 2005 Clause 217(1)(a8)*

Council was involved with the following organisations during 2018/2019:

- Riverina and Murray Joint Organisation (RAMJO)
- Riverina Regional Weed Committee
- Rural Fire Service NSW
- Southern Phone Company (Minor shareholder)
- Statewide Mutual Insurance
- TAFE NSW
- Western Regional Weed Committee
- Western Riverina Library (WRL)

## External Bodies

*Local Government (General) Regulation 2005 Clause 217(1)(a6)*

The following bodies exercised functions on behalf of Council, through the care, control and management of Council assets during 2018/2019:

- Carrathool Sportsground & Hall Management Committee
- Goolgowi Hall Management Committee
- Merriwagga Hall Management Committee
- Rankins Springs Hall Management Committee
- Rankins Springs Sport & Recreation Ground Management Committee
- Wallanthy Hall Management Committee

## Works on Private Land

*Local Government (General) Regulation 2005 Clause 217(1)(a4)*

Council did not resolve to undertake any private works during the period 2018/2019.

## Stormwater Management Services

*Local Government (General) Regulation 2005 Clause 217(1)(e)*

Council did not levy an annual charge for stormwater management services during the period 2018/2019.

## Coastal Protection Services

*Local Government (General) Regulation 2005 Clause 217(1)(e1)*

As an inland rural shire, Council is not required to provide coastal protection services.

## Environmental Upgrade Agreements

*Local Government Act 1993 Section 54P*

Council did not enter into any agreements during 2018/2019.

## Planning Agreements

*Environmental Planning and Assessment Act 1979 Section 9.10*

No planning agreements were in force during 2018/2019.

## Capital Works Projects

*Public Interest Disclosures Act 1994 Section 31*

In accordance with the Office of Local Government's Capital Expenditure Guidelines, Council is required to report on renovation or extension projects at a cost that is 10% of Council's annual rate revenue that is \$335,806. It is noted that capital expenditure on land purchases, land remediation, water supply networks, sewerage networks, stormwater drainage, domestic waste management facilities, roads, footpaths, and bridges is exempt from the reporting requirements.

## Public Interest Disclosures

*Public Interest Disclosures Act 1994 Section 31*

Council received no Public Interest Disclosures during the 2018/2019 financial year.

## Carers Recognition

*Carers (Recognition) Act 2010 Section 8*

Carrathool Shire Council is considered to be a 'human service agency' as a provider of services for carers and people being cared for by carers through the provision of Home and Community Care Services (HACC), Community Transport and Respite activities.

## Disability Inclusion Action Plan

*Disability Inclusion Act 2014 Section 13*

Council adopted the Disability Inclusion Action Plan in June 2017. The plan demonstrates Council's commitment to improving access and inclusion and identifies what Council can do to promote and achieve equality for residents and visitors to the Carrathool Shire LGA.

During 2018/2019 Council canvassed local traders and businesses for participation in a self-audit of facilities.

## Privacy and Personal Information Protection

*Privacy and Personal Information Protection Act 1998 Section 61A*

Details	Number
Requests for information	0
Internal reviews	0

## Swimming Pools Inspections

*Swimming Pool Act 1992 Section 22F(2)*

Details	Number
Certificates of compliance <i>Swimming Pool Act 1992 s22D</i>	0
Certificates of non-compliance <i>Swimming Pool Regulation 2018 c18BA</i>	0

## Equal Employment Opportunity

*Local Government (General) Regulation 2005 Clause 217(1)(a9)*

Council aims to provide a workplace free from discrimination, harassment and bullying; promoting Equal Employment Opportunity (EEO), equity, respect and tolerance in all work and management practices, creating a harmonious, safe and productive workplace benefitting employees, the organisation and the wider community.

The Consultative Committee acts as the EEO Committee to streamline Council processes. Meetings, for the purpose of addressing EEO matters, are held at least four (4) times each year as and when required, with the inclusion of a standard EEO Program agenda item.

Council received no complaints in relation to EEO during the 2018/2019 financial year.

Council's commitment is reinforced through the objectives of the EEO Management Plan to:

1. eliminate discrimination or harassment,
2. promote EEO,
3. communicate EEO policies, protocols, procedures and associated programs.

Council continues to review processes and actions to ensure compliance with merit based recruitment and selection, induction, fair assessment procedures, targeted training development, merit based promotion and transfer and non-discriminatory employment opportunities.

## Companion Animals Act & Regulation Activities

*Local Government (General) Regulation 2005 Clause 217(1)(f)*

During the return period Carrathool Shire Council lodged all required returns to the department.

Over the past year Council received 6 reports of alleged dog attacks involving 8 dogs.

During 2018/2019 Council undertook a number of educational activities to promote responsible companion animal ownership.

A rigorous Companion Animal Registration Campaign to update the Companion Animals Register. Council officers contacted owners of microchipped and unregistered animals via mail, approximately 1,190 letters were posted to Animal owners, as a result of the campaign 302 Companion Animals were registered for a total of \$28,666.

## Government Information (Public Access)

Government Information (Public Access) Act 2009 Section 125

Government Information (Public Access) Act – Annual Report for Agency Carrathool Shire Council

Clause 8A: Details of the review carried out by the agency under section 7 (3) of the Act during the reporting year and the details of any information made publicly available by the agency as a result of the review

Reviews carried out by the agency	Information made publicly available by the agency
Yes	Yes

Clause 8B: The total number of access applications received by the agency during the reporting year (including withdrawn applications but not including invalid applications)

Total number of applications received
8

Clause 8C: The total number of access applications received by the agency during the reporting year that the agency refused either wholly or partly, because the application was for the disclosure of information referred to in Schedule 1 to the Act (information for which there is conclusive presumption of overriding public interest against disclosure)

Number of Applications Refused	Wholly	Partly	Total
	0	8	8
% of Total	0%	100%	

Schedule 2 Statistical information about access applications to be included in annual report

Table A: Number of applications by type of applicant and outcome\*

	Access Granted in Full	Access Granted in Part	Access Refused in Full	Information not Held	Information Already Available	Refuse to Deal with Application	Refuse to Confirm/Deny whether information is held	Application Withdrawn	Total	% of Total
Media	0	0	0	0	0	0	0	0	0	0%
Members of Parliament	0	0	0	0	0	0	0	0	0	0%
Private sector business	0	1	0	0	0	0	0	0	1	13%
Not for profit organisations or community groups	0	0	0	0	0	0	0	0	0	0%
Members of the public (by legal representative)	0	5	0	0	0	0	0	0	5	63%
Members of the public (other)	0	2	0	0	0	0	0	0	2	25%
Total	0	8	0	0	0	0	0	0	8	
% of Total	0%	100%	0%	0%	0%	0%	0%	0%		

\* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of applications by type of application and outcome\*

	Access Granted in Full	Access Granted in Part	Access Refused in Full	Information not Held	Information Already Available	Refuse to Deal with Application	Refuse to Confirm/Deny whether information is held	Application Withdrawn	Total	% of Total
Personal information applications*	0	0	0	0	0	0	0	0	0	0%
Access applications (other than personal information applications)	0	8	0	0	0	0	0	0	8	100%
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0	0	0%
Total	0	8	0	0	0	0	0	0	8	
% of Total	0%	100%	0%	0%	0%	0%	0%	0%		

\* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table C: Invalid applications

Reason for invalidity	No of applications	% of Total
Application does not comply with formal requirements (section 41 of the Act)	1	100%
Application is for excluded information of the agency (section 43 of the Act)	0	0%
Application contravenes restraint order (section 110 of the Act)	0	0%
Total number of invalid applications received	1	100%
Invalid applications that subsequently became valid applications	1	100%

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of Act

	Number of times consideration used*	% of Total
Overriding secrecy laws	0	0%
Cabinet information	0	0%
Executive Council information	0	0%
Contempt	0	0%
Legal professional privilege	0	0%
Excluded information	8	100%
Documents affecting law enforcement and public safety	0	0%
Transport safety	0	0%
Adoption	0	0%
Care and protection of children	0	0%
Ministerial code of conduct	0	0%
Aboriginal and environmental heritage	0	0%
Privilege generally - Sch 1(5A)	0	0%
Information provided to High Risk Offenders Assessment Committee	0	0%
Total	8	

\*More than one public interest consideration may apply in relation to a particular access application and if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of Act

	Number of times consideration used*	% of Total
Responsible and effective government	0	0%
Law enforcement and security	0	0%
Individual rights, judicial processes and natural justice	0	0%
Business interests of agencies and other persons	0	0%
Environment, culture, economy and general matters	0	0%
Secrecy provisions	0	0%
Exempt documents under interstate Freedom of Information legislation	0	0%
Total	0	

Table F: Timeliness

	Number of applications*	% of Total
Decided within the statutory timeframe (20 days plus any extensions)	8	100%
Decided after 35 days (by agreement with applicant)	0	0%
Not decided within time (deemed refusal)	0	0%
Total	8	

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total	% of Total
Internal review	0	0	0	0%
Review by Information Commissioner*	0	0	0	0%
Internal review following recommendation under section 93 of Act	0	0	0	0%
Review by NCAT	0	0	0	0%
Total	0	0	0	
% of Total	0%	0%		

\*The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review	% of Total
Applications by access applicants	0	0%
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0	0%
Total	0	

Table I: Applications transferred to other agencies.

	Number of applications transferred	% of Total
Agency-Initiated Transfers	0	0%
Applicant - Initiated Transfers	0	0%
Total	0	

# Appendix 1



## Community Strategic Plan



**Carrathool Shire Council**

Promoting a future through diversity.

# **Delivery Plan**

## **Performance Report August 2019**

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## 1. An Inclusive, Connected and Healthy Community

Action	Responsible Directorate	Partners	Performance Measure	Target Quarter				Outcome
				1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	
<b>1a. Increased transport options for all sectors of the community</b>								
1a(iii) Review effectiveness and efficiency of Community Transport function	GM		Improved Community Transport function	x	x			Review of CT ongoing a report on CT and CHSP will be delivered to the Council in March 2019.
1a(iv) Canvas increased transport options with Minister for Transport	GM	Transport for NSW	Improved public transport options within the Shire	x				Griffith Bus Lines contacted Council about public bus transport from Griffith to Hillston and submissions made. This was unsuccessful.
<b>1b. A connected community for pedestrians thought well planned walking tracks</b>								
1b(i) Prepare Master plan of footpaths for each town and village	DIS		Report to Council re Footpath Master plan approved			x		In progress. Some work undertaken but further planning required.
1b(ii) Implement Footpath Master plan	DIS		Footpath Master plan implemented			x		In progress, most areas identified. Report to March Council meeting.
1b(iii) Identify problem areas for wheelchair access (kerb ramps)	DIS	State Government	Report to Council re wheelchair access remediation plan approved		x			Report completed to Council.
1b(iv) Remediate wheelchair problem access areas	DIS		Wheelchair access problem areas remediated		x			Following adopted plan from Council areas will be budgeted for new financial year.
1b(v) Prepare plan for walking track around Lake Woorabinda	DIS		Report to Council re Lake Woorabinda walking track approved		x			Report to February Council meeting.
1b(vii) Prepare plan for new swing bridge and walking track in Hillston	DIS		Report to Council re new swing bridge plans and costing approved				x	Draft Master Plan completed, awaiting community consultation phase.
<b>1c. A community where young people are engaged and valued</b>								
1c(i) Facilitate formation of a Carrathool Youth Council	EDO	Schools	Report to Council re Youth Council format and composition approved		x			In progress, EDO working with Hillston Central School re feasibility of incorporating the Youth Council as a function of the Student Reference Group.
1c(iii) Facilitate preparation and implementation of Goolgowi Park Master plan	DIS		Goolgowi Park Master plan approved	x				Elements completed, fitness stations, walking track and skate park.
1c(iv) Goolgowi Park Master plan implementation	EDO		Goolgowi Park Master plan implemented		x			Elements commenced including fitness station and preparatory work for Skate Park.
1c(v) Install youth page on Council website	EDO		Youth page operating		x			Waiting on new website.

Action	Responsible Directorate	Partners	Performance Measure	Target Quarter				Outcome
				1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	
<b>1d. An engaged and trusting community with strong social and support networks</b>								
1d(i) Develop assistance package for self-audit of relevant DIAP facilities for local clubs and groups	BRSM	Support Groups	Community groups utilising DIAP Assistance Package for self-audit of access facilities			x		Traders and business people canvassed re their possible participation – little interest shown.
1d(ii) Council review its own Council facilities re DIAP compliance	BRSM		DIAP review of Council facilities received			x		Additional funding has been applied for and/or accepted when available.
1d(iii) Facilitate Aussie Host training (or similar) for local businesses and organisations	EDO	Business Community	Aussie Host customer service training implemented		x			Traders and business people canvassed re their possible participation – little interest shown.
<b>1e. A healthy community with access to services that meet community needs</b>								
1e(i) Review current multi service outlet services and growth potential	DCCS	Hillston Hospital	Gap analysis of multi service outlet services received			x		Ongoing. Analysis to be completed next financial year.
1e(ii) Seek additional funding opportunities to allow further growth to the multi service outlet	DCCS	Murrumbidgee Health	Funding applications submitted to relevant agencies	x	x			Additional funding has been applied for and/or accepted when available.
1e(iii) Encourage and support the Hillston Medical Centre to attract health professional services	DCCS		State Government support and approval for continued funding of health services	x	x			Council have been lobbying State and Federal Governments to maintain a medical service at Hillston.

## 2. Infrastructure for a Sustainable Future

Action	Responsible Directorate	Partners	Performance Measure	Target Quarter				Outcome
				1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	
<b>2a. Carrathool Shire is connected through appropriate infrastructure to support freight and logistic</b>								
2a(i) Lobby with surrounding Councils for State Government infrastructure grants to get produce to destination	GM	RMS Surrounding Councils Transport for NSW	Lobby group formed and lobbying State Government for Infrastructure grants		x			Some support provided in relation to a freight hub at Narrandera ongoing lobbying via RAMJO.
2a(ii) Work with RMS to increase RMCC work leading to improvement in roads	GM	Load producers and farms RMS	Improved RMS funding for Shire road improvements relevant to produce logistics	x	x	x	x	Council continues to work with the RMS and producers on the road network and funding opportunities.
2a(iv) Liaise with transport operators and producers to identify needs for roads	GM	Transport Operators	Report on road needs for operators and producers approved	x				Council continues to work within its funding limits taking into consideration the needs of local transport operators and producers.
<b>2b. Community infrastructure that is accessible for everyone</b>								
2b(i) Undertake a DIAP-relevant access audit of all Council owned and managed buildings and facilities	BRSM	New and existing businesses Community Groups Government Departments and Agencies	Report to Council re findings of access audit approved	x				Initial Audit has been carried out. Report to go to March meeting.
2b(ii) Implement an improvement program to ensure all public facilities are accessible to all	BRSM		Public facilities access improvement implemented	x				Improvement program has been drafted and has been adopted as part of our 10yr facilities management program.
<b>2c. A community where increased number of community members have access to water supply</b>								
2c(i) Determine the areas where additional water is required and what the proposed use is	DIS	Water Authorities	Report prepared and presented to Council			x		Ongoing. Report will be provided in the first half of the new financial year.
2c(iv) Raise community awareness re water supply matters	MWS		Water Supply Community Awareness Program implemented	x	x	x	x	Ongoing campaign in Council newsletter.

### 3. Growing and Diverse Economy

Action	Responsible Directorate	Partners	Performance Measure	Target Quarter				Outcome
				1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	
<b>3a. Establish Carrathool Shire as a welcoming and exciting place for our community and visitors</b>								
3a(i) Provide welcome kits for new residents	EDO	New and existing businesses Community groups	Welcome kits distribution underway	x				On hold until next financial year.
3a(ii) Develop new tourism brochures for whole of Shire	EDO		Revised brochures distributed to relevant locations	x				Brochures developed, printed and in use.
3a(iii) Refurbish entry tourism signage into Shire	EDO		Entry signage in place		x			Funding secured through Stronger Country Communities Fund Round 2 – will commence design and installation next Financial year.
<b>3b. Growth (population and business development) is supported through revised land use planning</b>								
3b(i) Review the areas of growth pressure or shortage	BRSM		Review of growth pressure or land shortages approved		x			Ongoing due to significant changes in planning legislation.
3b(ii) Review and reassess the currency of Council's Settlement Strategy	BRSM		Review of Settlement Strategy approved				x	RemPlan Economic Modelling Tool now purchases with A Gap Analysis function available.
<b>3c. Promote opportunities for local economic diversity</b>								
3c(i) Undertake gap analysis of businesses within the Shire and identify opportunities	GM	New and existing businesses	Shire Business Gap Analysis and opportunities approved		x			Ongoing. To be completed next year.
3c(ii) Research economic actions undertaken by other Shires and relevant successes of such actions	GM	Relevant Shires	Report of other Shires economic actions/strategies approved	x				EDO research is ongoing with an Economic Development Plan to be developed.
3c(iii) Canvas potential businesses to implement new business opportunities	GM		New potential businesses identified and canvassed		x			GM's work in this area has been ongoing.
3c(iv) Work with businesses through the Development Application process if required	GM		EDO and planning staff working with DA clients as required	x				EDO liaising with planning staff where applicable.
3c(v) Ensure Position Descriptions for employment opportunities within Council facilitates opportunities for people with disabilities	GM		Council Position Descriptions are inclusive of people with disabilities		x			Council is an equal opportunity employer and position descriptions a subject to annual review.

Action	Responsible Directorate	Partners	Performance Measure	Target Quarter				Outcome
				1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	
<b>3d. Support partnerships to achieve positive outcomes for the community</b>								
3d(i) Facilitate Agribusiness Workforce Forum	EDO	New and existing businesses Local producers and farmers	Agribusiness Workforce Forum held	x				On hold until new financial year.
3d(ii) Develop and distribute a Shire Business and Services Directory	EDO	School and community groups	Directory distributed in multi-format	x				Will be produced in 4 <sup>th</sup> quarter 2019
3d(iii) Develop and distribute a digital business newsletter	EDO		Digital newsletter published multi-platform			x		Will be commenced 1 <sup>st</sup> quarter 2020
3d(iv) Conduct audit of disabled services and needs in Shire	BRSM	DCCS	Report on audit of disabled services and needs approved	x				Preliminary audit has been carried out. BSRM is working with HACC staff ensure 1 <sup>st</sup> audit is accurate.
<b>3e. A connected community with reliable telecommunications</b>								
3e(ii) Liaise with NBN Co as the NBN is rolled out across the Shire	GM	NBN Corporation	Information Paper re NBN roll-out timeframe and capabilities received	x				NBN report completed. Hillston rollout of the NBN completed
3e(iii) Liaise with telecommunications providers to increase uptake of communication infrastructure and roll-out within the Shire	GM	Telecommunication companies	Increased uptake of telecommunication infrastructure and roll-out within the Shire		x			Two new Telstra mobile towers have been installed at Merriwagga and at Tabita. New Optus tower on the Mid-Western Highway near Gunbar

#### 4. Sustainable Natural Environment

Action	Responsible Directorate	Partners	Performance Measure	Target Quarter				Outcome
				1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	
<b>4a. A community that thrives on sustainable farming practices</b>								
4a(i) Research locations of information relating to up to date and innovative farming practices	GM	Farming support groups	Provide links to relevant agencies providing support and promoting awareness of farming innovation			x		Ongoing as opportunities arise.
4a(ii) Facilitate liaison between farming operators and research bodies	GM	Research bodies	Links established between research bodies and Shire's producers			x		Ongoing as opportunities arise.
<b>4b. Educate our future generations about the natural environment</b>								
4b(i) Engage with environmental agencies to assist to prepare an awareness program	BRSM	EPA NPWS	Report to Council regarding environmental awareness programs approved	x				Environmental Awareness Program has been drafted locally as there was very little interest nor buy in from EPA/NPWS etc.
4b(ii) Attend local and regional events to inform about noxious weeds and general bio-security obligations	BRSM		Report to Council re attendance at local and regional events	x	x	x	x	Ongoing.
4b(iv) Support major events such as Tree Day and Clean Up Australia Day	BRSM		Major environmental events in Shire publicised and promoted as required	x	x	x	x	Ongoing.
<b>4e. Promote an environment that is conducive to the production of high-quality fresh fruit and vegetables</b>								
4e(i) Engage with Shire producers and relevant research agencies to undertake Gap Analysis of essential requirements for high quality horticulture production	BRSM	Local Land Services DPI CRCC DIS	Lobbying for improved water, energy and logistics for the Shire's agribusiness sector as required				x	Ongoing as opportunities arise.

## 5. Leadership and Governance

Action	Responsible Directorate	Partners	Performance Measure	Target Quarter				Outcome
				1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	
<b>5a. A community that values the opinions of all and supports young leaders to contribute to the community</b>								
5a(i) Inclusion of youth representatives in the Carrathool Digital Reference Group	GM	Community, Business and Schools	Digital Reference Group formed and operating	x				Group has been formed with invitations still open for participants.
5a(ii) Liaise with Youth Council to facilitate events for Youth Week	GM		Youth Week program of events implemented			x		Two events held at Goolgowi Club and the Hillston Skate Park.
<b>5b. Encourage more volunteering within the community</b>								
5b(i) Identify volunteering opportunities in Shire	EDO	Community groups	Report regarding volunteering opportunities in Shire provided	x				EDO working with many community groups to identify new volunteering opportunities.
5b(ii) Develop volunteer resources and info kit	EDO		Volunteer resources and info kits being distributed			x		Will be commenced 1 <sup>st</sup> quarter 2020.
5b(iii) Undertake a Skills Audit for Shire's Volunteer Pool to identify skills within the Shire's volunteer pool	EDO		Pool of volunteers available for engagement as required		x			On hold until new financial year.
<b>5c. The community to benefit by access to more community grants</b>								
5c(i) Review Council's Community Grants Scheme	EDO	Federal and State Governments	Report on review of Community Grants Scheme approved		x			Review of Community Grants Scheme on hold until current grant-funded projects are completed and acquitted.
5c(ii) Facilitate grant writing training for community groups	EDO		Grant writing training workshops held			x		Will be commenced 1 <sup>st</sup> quarter 2020.
5c(iii) Facilitate capacity building for community groups	EDO		Capacity Building training workshops held and support provided			x		On hold until new financial year.
<b>5d. The community to be better informed of local issues and activities and have increased opportunity to participate in decision making.</b>								
5d(ii) Update the Council website	GM		Council Website updated		x			Website project commenced.
5d(v) Facilitate the formation of a Carrathool Digital Reference Group to provide an efficient channel of input into Council policy deliberation	EDO		Carrathool Digital Reference Group formed and operating	x				Group has been formed with invitations still open for participants.

## Appendix 2

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# Annual Financial Statements

for the year ended 30 June 2019



# Carrathool Shire Council

## ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2019

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# Carrathool Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2019

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## General Purpose Financial Statements

for the year ended 30 June 2019

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### Overview

Carrathool Shire Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:

9 - 11 Cobram Street  
GOOLGOWI NSW 2652

Council's guiding principles are detailed in Chapter 3 of the LGA and includes:

- principles applying to the exercise of functions generally by council,
- principles to be applied when making decisions,
- principles of community participation,
- principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

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

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: [www.carrathool.nsw.gov.au](http://www.carrathool.nsw.gov.au).

# Carrathool Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2019

### Understanding Council's Financial Statements

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#### Introduction

Each year, individual Local Governments across NSW are required to present a set of audited financial statements to their council and community.

#### What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2019.

The format of the financial statements is standard across all NSW Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and requirements as set down by the Office 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 and ownership of the financial statements.

#### About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

##### 1. The Income Statement

Summarises Council's financial performance for the year, listing all income and expenses. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

##### 2. The Statement of Comprehensive Income

Primarily records changes in the fair value of Council's Infrastructure, property, plant and equipment.

##### 3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its assets, liabilities and "net wealth".

##### 4. The Statement of Changes in Equity

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

##### 5. The 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 five primary financial statements.

#### About the Auditor's Reports

Council's financial statements are required to be audited by the NSW Audit Office.

In NSW the auditor provides 2 audit reports:

1. an opinion on whether the financial statements present fairly the Council's financial performance and position, and
2. their observations on the conduct of the audit, including commentary on the Council's financial performance and financial position.

#### Who uses the Financial Statements?

The financial statements are publicly available documents and must be presented at a Council meeting between seven days and five weeks after the date of the audit report.

The public can make submissions to Council up to seven days subsequent to the public presentation of the financial statements.

Council is required to forward an audited set of financial statements to the Office of Local Government.

**Carrathool Shire Council**  
**General Purpose Financial Statements**  
for the year ended 30 June 2019

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

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


- the *Local Government Act 1993* (NSW) (as amended) and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the *Local Government Code of Accounting Practice and Financial Reporting*.

To the best of our knowledge and belief, these statements:

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

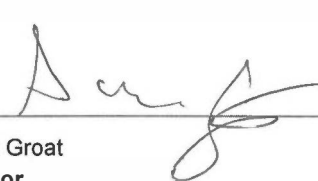
We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 17 September 2019.



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Cr. Darryl Ardabe  
**Mayor**  
17 September 2019



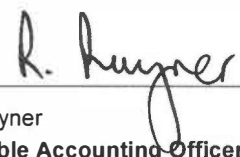
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Cr. Scott Groat  
**Councillor**  
17 September 2019



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Rick Warren  
**General Manager**  
17 September 2019



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Robert Rayner  
**Responsible Accounting Officer**  
17 September 2019

## Income Statement

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018
<b>Income from continuing operations</b>				
<u>Revenue:</u>				
5,059	Rates and annual charges	3a	5,058	4,899
5,398	User charges and fees	3b	4,716	5,505
382	Interest and investment revenue	3c	453	399
256	Other revenues	3d	280	287
11,654	Grants and contributions provided for operating purposes	3e,3f	11,490	12,064
12,967	Grants and contributions provided for capital purposes	3e,3f	8,001	1,775
<u>Other income:</u>				
83	Net gains from the disposal of assets	5	31	78
35,799	<b>Total income from continuing operations</b>		30,029	25,007
<b>Expenses from continuing operations</b>				
7,927	Employee benefits and on-costs	4a	7,473	7,140
145	Borrowing costs	4b	108	59
8,504	Materials and contracts	4c	6,708	5,233
7,650	Depreciation and amortisation	4d	7,755	7,449
1,932	Other expenses	4e	1,828	1,659
26,158	<b>Total expenses from continuing operations</b>		23,872	21,540
9,641	<b>Operating result from continuing operations</b>		6,157	3,467
9,641	<b>Net operating result for the year</b>		6,157	3,467
9,641	Net operating result attributable to Council		6,157	3,467
(3,326)	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		(1,844)	1,692

The above Income Statement should be read in conjunction with the accompanying notes.

## Statement of Comprehensive Income

for the year ended 30 June 2019

\$ '000	Notes	2019	2018
<b>Net operating result for the year (as per Income Statement)</b>		<b>6,157</b>	<b>3,467</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	9(a)	–	(1,697)
<b>Total items which will not be reclassified subsequently to the operating result</b>		–	(1,697)
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Gain/(loss) on revaluation of equity instruments at fair value through other comprehensive income		(32)	–
<b>Total items which will be reclassified subsequently to the operating result when specific conditions are met</b>		(32)	–
<b>Total other comprehensive income for the year</b>		<b>(32)</b>	<b>(1,697)</b>
<b>Total comprehensive income for the year</b>		<b>6,125</b>	<b>1,770</b>
Total comprehensive income attributable to Council		6,125	1,770

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## Statement of Financial Position

as at 30 June 2019

\$ '000	Notes	2019	2018
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalent assets	6(a)	7,848	8,219
Investments	6(b)	12,101	8,721
Receivables	7	671	2,586
Inventories	8	2,158	1,445
<b>Total current assets</b>		<u>22,778</u>	<u>20,971</u>
<b>Non-current assets</b>			
Investments	6(b)	56	–
Receivables	7	595	318
Infrastructure, property, plant and equipment	9(a)	220,552	211,089
<b>Total non-current assets</b>		<u>221,203</u>	<u>211,407</u>
<b>TOTAL ASSETS</b>		<u>243,981</u>	<u>232,378</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	10	4,859	2,092
Borrowings	10	331	276
Provisions	11	2,309	2,139
<b>Total current liabilities</b>		<u>7,499</u>	<u>4,507</u>
<b>Non-current liabilities</b>			
Borrowings	10	2,993	1,124
Provisions	11	2,209	1,680
<b>Total non-current liabilities</b>		<u>5,202</u>	<u>2,804</u>
<b>TOTAL LIABILITIES</b>		<u>12,701</u>	<u>7,311</u>
<b>Net assets</b>		<u>231,280</u>	<u>225,067</u>
<b>EQUITY</b>			
Accumulated surplus	12a	145,572	139,415
Revaluation reserves	12a	85,652	85,652
Other reserves	12a	56	–
<b>Council equity interest</b>		<u>231,280</u>	<u>225,067</u>
<b>Total equity</b>		<u>231,280</u>	<u>225,067</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



## Statement of Changes in Equity

for the year ended 30 June 2019

\$ '000	Notes	2019				2018			
		Accumulated surplus	IPP&E revaluation reserve	Financial assets at FVOCI	Total equity	Accumulated surplus	IPP&E revaluation reserve	Financial assets at FVOCI	Total equity
Opening balance		139,415	85,652	–	225,067	135,948	87,349	–	223,297
Adoption of new accounting standards – not retrospective	12b	–	–	88	88	–	–	–	–
<b>Restated opening balance</b>		<b>139,415</b>	<b>85,652</b>	<b>88</b>	<b>225,155</b>	<b>135,948</b>	<b>87,349</b>	<b>–</b>	<b>223,297</b>
Net operating result for the year		6,157	–	–	6,157	3,467	–	–	3,467
<b>Restated net operating result for the period</b>		<b>6,157</b>	<b>–</b>	<b>–</b>	<b>6,157</b>	<b>3,467</b>	<b>–</b>	<b>–</b>	<b>3,467</b>
<b>Other comprehensive income</b>									
– Gain (loss) on revaluation of IPP&E	9(a)	–	–	–	–	–	(1,697)	–	(1,697)
– Gain/(loss) on revaluation of equity instruments at fair value through other comprehensive income		–	–	(32)	(32)	–	–	–	–
<b>Other comprehensive income</b>		<b>–</b>	<b>–</b>	<b>(32)</b>	<b>(32)</b>	<b>–</b>	<b>(1,697)</b>	<b>–</b>	<b>(1,697)</b>
<b>Total comprehensive income</b>		<b>6,157</b>	<b>–</b>	<b>(32)</b>	<b>6,125</b>	<b>3,467</b>	<b>(1,697)</b>	<b>–</b>	<b>1,770</b>
<b>Equity – balance at end of the reporting period</b>		<b>145,572</b>	<b>85,652</b>	<b>56</b>	<b>231,280</b>	<b>139,415</b>	<b>85,652</b>	<b>–</b>	<b>225,067</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Statement of Cash Flows

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018
<b>Cash flows from operating activities</b>				
<u>Receipts</u>				
5,059	Rates and annual charges		4,797	4,980
5,700	User charges and fees		6,696	3,813
382	Investment and interest revenue received		466	424
24,894	Grants and contributions		20,058	13,733
–	Bonds, deposits and retention amounts received		–	24
284	Other		1,889	1,401
<u>Payments</u>				
(7,952)	Employee benefits and on-costs		(7,308)	(7,047)
(10,586)	Materials and contracts		(9,447)	(6,706)
(145)	Borrowing costs		(109)	(59)
–	Bonds, deposits and retention amounts refunded		(20)	–
(2,115)	Other		(1,466)	(1,752)
<b>15,521</b>	<b>Net cash provided (or used in) operating activities</b>	13b	<b>15,556</b>	<b>8,811</b>
<b>Cash flows from investing activities</b>				
<u>Receipts</u>				
10,453	Sale of investment securities		10,453	7,830
1,428	Sale of infrastructure, property, plant and equipment		1,097	1,358
–	Deferred debtors receipts		20	17
<u>Payments</u>				
(13,833)	Purchase of investment securities		(13,833)	(6,000)
(23,198)	Purchase of infrastructure, property, plant and equipment		(15,588)	(9,754)
<b>(25,150)</b>	<b>Net cash provided (or used in) investing activities</b>		<b>(17,851)</b>	<b>(6,549)</b>
<b>Cash flows from financing activities</b>				
<u>Receipts</u>				
2,310	Proceeds from borrowings and advances		2,310	–
<u>Payments</u>				
(386)	Repayment of borrowings and advances		(386)	(326)
<b>1,924</b>	<b>Net cash flow provided (used in) financing activities</b>		<b>1,924</b>	<b>(326)</b>
<b>(7,705)</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(371)</b>	<b>1,936</b>
6,283	Plus: cash and cash equivalents – beginning of year	13a	8,219	6,283
<b>(1,422)</b>	<b>Cash and cash equivalents – end of the year</b>	13a	<b>7,848</b>	<b>8,219</b>
Additional Information:				
8,721	plus: Investments on hand – end of year	6(b)	12,157	8,721
<b>7,299</b>	<b>Total cash, cash equivalents and investments</b>		<b>20,005</b>	<b>16,940</b>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

## Notes to the Financial Statements

for the year ended 30 June 2019

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## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 1. Basis of preparation

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These financial statements were authorised for issue by Council on 17 September 2019. Council has the power to amend and reissue these financial statements.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below.

These policies have been consistently applied to all the years presented, unless otherwise stated.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (NSW)* and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not for-profit entity.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts. Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Note 17 – Material budget variations

and are clearly marked.

#### (a) New and amended standards adopted by Council

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2019.

Those newly adopted standard AASB 9 Financial Instruments has had no material impact on reported position, performance and/or disclosures.

#### (b) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities and certain classes of infrastructure, property, plant and equipment and investment property.

#### (c) Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also 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 Council 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.

The 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 include:

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note 9
- (ii) estimated gravel pit remediation provisions – refer Note 11
- (iii) employee benefit provisions – refer Note 11.

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 1. Basis of preparation (continued)

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#### Significant judgements in applying the council's accounting policies

(i) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables – refer Note 7.

#### Monies and other assets received by Council

##### (a) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the Local Government Act 1993 (NSW), all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

Cash and other assets of the following entities have been included as part of the Consolidated Fund:

- General purpose operations
- Combined Water Supply Funds
- Combined Sewerage Funds

##### (b) The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993 (NSW)* (as amended), a separate and distinct Trust Fund is maintained to account for all money and property received by the council in trust which must be applied only for the purposes of, or in accordance with, the trusts relating to those monies.

Trust monies and property subject to Council's control have been included in these reports.

A separate statement of monies held in the Trust Fund is available for inspection at the council office by any person free of charge

#### Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

#### New accounting standards and interpretations issued not yet effective

##### New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods (and which have not been early adopted by Council).

Council's assessment of these new standards and interpretations (where they have been deemed as having a material impact on Council's future financial performance, financial position and cash flows) are set out below:

##### AASB 15 Revenue from Contracts with Customers and associated amending standards.

AASB15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

Accounting policy changes will arise in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 1. Basis of preparation (continued)

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Councils should assess each revenue stream but particular impact is expected for grant income and rates which are paid before the commencement of the rating period.

The changes in revenue recognition requirements in AASB15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures.

The impact of AASB15 is expected to be the following: The level of unspent grants and contributions at the end of the 30 June 2019 financial year totalled \$771K, with \$567K, received but not spent during that financial year. The net operating result reduction from the unspent grants and contributions, is a reduction of 9.21% on the operating result of \$6,157K and including the prepaid rates and charges would be a material adjustment to Council's operating result.

#### **AASB 1058 Income of NFP Entities**

AASB 1058 supersedes all the income recognition requirements relating to councils, previously in AASB 1004 Contributions.

Under AASB 1058 the future timing of income recognition will depend on whether the transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service) related to an asset (such as cash or another asset) received by an entity.

AASB 1058 also applies when a council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the council's objective is principally to enable the asset to further the council's objectives.

Upon initial recognition of the asset, this standard requires council to consider whether any other financial statement elements (called 'related amounts') should be recognised in accordance with the applicable accounting standard, such as:

- (a) contributions by owners
- (b) revenue, or a contract liability arising from a contract with a customer
- (c) a lease liability
- (d) a financial instrument, or
- (e) a provision.

If the transaction is a transfer of a financial asset to enable council to acquire or construct a recognisable non-financial asset to be controlled by council (i.e. an in-substance acquisition of a non-financial asset), the council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. Council will then recognise income as it satisfies its obligations under the transfer similarly to income recognition in relation to performance obligations under AASB 15.

If the transaction does not enable council to acquire or construct a recognisable non-financial asset to be controlled by council, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income.

The specific impacts of AASB1058 for Council are expected to be the following: Prepaid rates received prior to the beginning of a rating period will now be recognised as a financial liability until the commencement of the new rating period. The prepaid rates and annual charges totalled \$74K and the prepaid water usage charges totalled \$33K at the end of 30 June 2019. This is a reduction of 1.74% and with the unspent grants will be a material effect on Council's operation result.

Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2018.

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 2(a). Council functions/activities – financial information

Income, expenses and assets have been directly attributed to the following functions or activities.  
Details of those functions or activities are provided in Note 2(b).

\$ '000	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Total assets held (current and non-current)	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Functions or activities</b>										
Governance	8	10	650	512	(642)	(502)	–	–	–	–
Administration	803	531	3,025	2,768	(2,222)	(2,237)	149	140	23,673	23,537
Public Order and Safety	265	675	467	485	(202)	190	192	669	2,390	2,286
Health	84	60	193	30	(109)	30	–	–	1,186	1,173
Environment	429	486	554	546	(125)	(60)	104	60	1,588	1,524
Community Services and Education	657	508	639	605	18	(97)	547	400	34	34
Housing and Community Amenities	169	204	766	521	(597)	(317)	25	24	3,666	3,745
Water Supplies	2,343	2,437	2,356	2,087	(13)	350	–	–	40,603	40,715
Sewerage Services	441	385	277	299	164	86	–	–	4,305	3,937
Recreation and Culture	1,429	362	1,737	1,469	(308)	(1,107)	1,281	279	9,239	7,882
Mining, Manufacturing and Construction	105	–	610	406	(505)	(406)	100	–	1,661	1,025
Transport & Communication	12,948	9,331	11,587	10,939	1,361	(1,608)	8,551	3,755	154,821	145,727
Economic Affairs	593	654	1,011	873	(418)	(219)	–	–	759	793
General Purpose Income	9,755	9,364	–	–	9,755	9,364	5,985	5,722	–	–
Other	–	–	–	–	–	–	–	–	56	–
<b>Total functions and activities</b>	<b>30,029</b>	<b>25,007</b>	<b>23,872</b>	<b>21,540</b>	<b>6,157</b>	<b>3,467</b>	<b>16,934</b>	<b>11,049</b>	<b>243,981</b>	<b>232,378</b>

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 2(b). Council functions/activities - component descriptions

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

#### Governance

Includes costs relating to 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, public disclosures (e.g. GIPA), and legislative compliance.

#### Administration

Includes corporate support (payroll, creditors, debtors, rates and finance), and other support services, engineering administration, and any Council policy compliance.

#### Public Order and Safety

Includes Council's fire and emergency services levy, fire protection, emergency services, enforcement of regulations and animal control.

#### Health

Includes food inspections and health administration.

#### Environment

Includes noxious plants and insect/vermin control; other environmental protection, solid waste management, including domestic waste, other waste management; other sanitation and garbage, street cleaning, drainage and storm water management.

#### Community Services and Education

Includes youth services and education, aged and disabled persons services, children's services including preschool and family day care. Social protection and aboriginal services.

#### Housing and Community Amenities

Includes public cemeteries, public conveniences, street lighting, town planning and other community amenities. It also includes housing development and accommodation.

#### Water Supplies

Raw and potable water supplies to townships, villages and stock and domestic supplies to some rural areas.

#### Sewerage Services

Sewerage services provided to town and villages.

#### Recreation and Culture

Includes public libraries, museums, art galleries, community centres and halls. Sporting facilities and grounds, public parks and gardens, swimming pools, lakes and other sporting, recreational and cultural services.

#### Mining, Manufacturing and Construction

Includes building control, quarries and gravel pits, and mineral resources.

#### Transport & Communication

Urban, rural roads including local, regional and sealed and unsealed roads. Bridges, footpaths, parking areas and aerodromes.



## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 2(b). Council functions/activities - component descriptions (continued)

**Economic Affairs**

Includes camping areas and caravan parks; tourism and area promotion; industrial and residential development promotion; sale yards and markets; commercial nurseries and other business undertakings.

**General Purpose Income**

Income generated from Financial Assistance Grants, general rates and interest income.

## Note 3. Income from continuing operations

\$ '000	2019	2018
<b>(a) Rates and annual charges</b>		
<b>Ordinary rates</b>		
Residential	340	330
Farmland	2,808	2,749
Business	210	213
Less: pensioner rebates (mandatory)	(26)	(29)
<b>Rates levied to ratepayers</b>	<b>3,332</b>	<b>3,263</b>
Pensioner rate subsidies received	16	17
<b>Total ordinary rates</b>	<b>3,348</b>	<b>3,280</b>
<b>Annual charges</b>		
<small>(pursuant to s.496, s.496A, s.496B, s.501 &amp; s.611)</small>		
Domestic waste management services	315	304
Water supply services	907	864
Sewerage services	418	378
Waste management services (non-domestic)	73	78
Less: pensioner rebates (mandatory)	(31)	(32)
Sullage – Rankins Springs	9	8
<b>Annual charges levied</b>	<b>1,691</b>	<b>1,600</b>
Pensioner subsidies received:		
– Water	8	8
– Sewerage	5	6
– Domestic waste management	6	5
<b>Total annual charges</b>	<b>1,710</b>	<b>1,619</b>
<b>TOTAL RATES AND ANNUAL CHARGES</b>	<b>5,058</b>	<b>4,899</b>

Council has used 2016 year valuations provided by the NSW Valuer General in calculating its rates.

**Accounting policy for rates and charges**

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 3. Income from continuing operations (continued)

Control over assets acquired from rates and annual charges is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

\$ '000	2019	2018
<b>(b) User charges and fees</b>		
<b>Specific user charges</b>		
<small>(per s.502 - specific 'actual use' charges)</small>		
Water supply services	1,424	1,237
Other	15	25
<b>Total specific user charges</b>	<b>1,439</b>	<b>1,262</b>
<b>Other user charges and fees</b>		
<b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>		
Planning and building regulation	22	50
Private works – section 67	176	210
Registration fees (cemeteries, animals control etc)	16	2
Section 10.7 certificates (EP&A Act)	11	10
Section 603 certificates	5	8
Tapping fees	–	2
Town planning	30	40
<b>Total fees and charges – statutory/regulatory</b>	<b>260</b>	<b>322</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s.608))</b>		
Caravan park	401	409
Cemeteries	16	17
Lease rentals	53	57
Leaseback fees – Council vehicles	69	71
RMS charges (state roads not controlled by Council)	2,118	3,048
Sundry sales	3	1
Swimming centres	20	19
Tourism	3	–
Admission and service fees	200	119
Community transport and other HACC services	52	49
Library	7	9
Sundry – risk management	71	84
Waste disposal tipping fees (sales waste materials)	4	38
<b>Total fees and charges – other</b>	<b>3,017</b>	<b>3,921</b>
<b>TOTAL USER CHARGES AND FEES</b>	<b>4,716</b>	<b>5,505</b>

**Accounting policy for user charges and fees**

User charges and fees are recognised as revenue when the service has been provided.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
<b>(c) Interest and investment revenue (including losses)</b>		
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	43	41
– Cash and investments	410	358
<b><u>TOTAL INTEREST AND INVESTMENT REVENUE</u></b>	<b><u>453</u></b>	<b><u>399</u></b>

**Interest revenue is attributable to:****Unrestricted investments/financial assets:**

Overdue rates and annual charges (general fund)	22	21
General Council cash and investments	410	358

**Restricted investments/funds – external:**

Water fund operations	17	17
Sewerage fund operations	4	3

<b>Total interest and investment revenue</b>	<b><u>453</u></b>	<b><u>399</u></b>
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**Accounting policy for interest and investment revenue**

Interest income is recognised using the effective interest rate at the date that interest is earned.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

**(d) Other revenues**

Rental income – other council properties	88	90
Diesel rebate	185	190
Road incidents reimbursements	1	2
Other	6	5
<b><u>TOTAL OTHER REVENUE</u></b>	<b><u>280</u></b>	<b><u>287</u></b>

**Accounting policy for other revenue**

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Council and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Rental income is accounted for on a straight-line basis over the lease term.

Miscellaneous sales are recognised when physical possession has transferred to the customer which is deemed to be the point of transfer of risks and rewards.

Other revenue is recorded when the payment is due, the value of the payment is notified, or the payment is received, whichever occurs first.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 3. Income from continuing operations (continued)

\$ '000	Operating 2019	Operating 2018	Capital 2019	Capital 2018
<b>(e) Grants</b>				
<b>General purpose (untied)</b>				
<b>Current year allocation</b>				
Financial assistance – general component	1,781	1,694	–	–
Financial assistance – local roads component	1,157	1,121	–	–
<b>Payment in advance - future year allocation</b>				
Financial assistance – general component	1,847	1,738	–	–
Financial assistance – local roads component	1,200	1,152	–	–
<b>Total general purpose</b>	<b>5,985</b>	<b>5,705</b>	<b>–</b>	<b>–</b>
<b>Specific purpose</b>				
Employment and training programs	18	7	–	–
Environmental programs	157	–	–	–
Library	–	2	–	–
Library – per capita	5	4	–	–
Library – special projects	23	21	–	–
Noxious weeds	47	45	–	–
NSW rural fire services	145	149	47	81
Recreation and culture	899	–	354	252
Storm/flood damage	725	1,723	–	–
Street lighting	25	24	–	–
Transport (roads to recovery)	1,076	2,032	–	–
Transport (other roads and bridges funding)	–	–	6,750	–
Community care (HACC and other services)	544	400	–	–
Levee bank	–	–	–	439
Other	134	165	–	–
<b>Total specific purpose</b>	<b>3,798</b>	<b>4,572</b>	<b>7,151</b>	<b>772</b>
<b>Total grants</b>	<b>9,783</b>	<b>10,277</b>	<b>7,151</b>	<b>772</b>
<b>Grant revenue is attributable to:</b>				
– Commonwealth funding	7,989	7,908	3,394	439
– State funding	1,794	2,369	3,757	333
	<b>9,783</b>	<b>10,277</b>	<b>7,151</b>	<b>772</b>

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 3. Income from continuing operations (continued)

\$ '000	Notes	Operating 2019	Operating 2018	Capital 2019	Capital 2018
<b>(f) Contributions</b>					
<b>Developer contributions: (s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>					
<b>Cash contributions</b>					
S 7.12 – fixed development consent levies		–	–	323	–
<b>Total developer contributions – cash</b>		<u>–</u>	<u>–</u>	<u>323</u>	<u>–</u>
<b>Total developer contributions</b>	20	<u>–</u>	<u>–</u>	<u>323</u>	<u>–</u>
<b>Other contributions:</b>					
<b>Cash contributions</b>					
Other Councils – gwcc joint works/services		–	6	–	–
RMS contributions (regional roads, block grant)		1,707	1,781	513	640
Water supplies (excl. section 64 contributions)		–	–	–	322
Hall c'ttees – m'tce and capital works		–	–	14	41
<b>Total other contributions – cash</b>		<u>1,707</u>	<u>1,787</u>	<u>527</u>	<u>1,003</u>
<b>Total other contributions</b>		<u>1,707</u>	<u>1,787</u>	<u>527</u>	<u>1,003</u>
<b>Total contributions</b>		<u>1,707</u>	<u>1,787</u>	<u>850</u>	<u>1,003</u>
<b>TOTAL GRANTS AND CONTRIBUTIONS</b>		<u>11,490</u>	<u>12,064</u>	<u>8,001</u>	<u>1,775</u>

**Accounting policy for grants and contributions**

Control over grants and contributions is normally obtained upon their receipt (or acquittal) and is valued at the fair value of the granted or contributed asset at the date of transfer.

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 un-discharged at reporting date, the unused grant or contribution is disclosed below.

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979*.

While Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon receipt by Council, due to the possibility that individual development consents may not be acted upon by the applicant and, accordingly, would not be payable to Council.

Developer contributions may only be expended for the purposes for which the contributions were required, but the Council may apply contributions according to the priorities established in work schedules

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

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
<b>(g) Unspent grants and contributions</b>		
<b>Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:</b>		
<b>Operating grants</b>		
Unexpended at the close of the previous reporting period	226	319
<b>Add:</b> operating grants recognised in the current period but not yet spent	149	200
<b>Less:</b> operating grants recognised in a previous reporting period now spent	(208)	(293)
<b>Unexpended and held as restricted assets (operating grants)</b>	<u>167</u>	<u>226</u>
Grants from Southern Phones \$6K, Grant from RFS \$12K & Stronger Country Communities Fund Round 2 \$149K		
<b>Capital grants</b>		
<b>Add:</b> capital grants recognised in the current period but not yet spent	292	–
<b>Unexpended and held as restricted assets (capital grants)</b>	<u>292</u>	<u>–</u>
Stronger Country Communities Fund Round 2 \$292		
<b>Contributions</b>		
Unexpended at the close of the previous reporting period	186	165
<b>Add:</b> contributions recognised in the current period but not yet spent	126	21
<b>Unexpended and held as restricted assets (contributions)</b>	<u>312</u>	<u>186</u>
Section 11.7 contributions \$312K		

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 4. Expenses from continuing operations

\$ '000	2019	2018
<b>(a) Employee benefits and on-costs</b>		
Salaries and wages	5,582	5,561
Employee termination costs	173	178
Travel expenses	93	42
Employee leave entitlements (ELE)	923	708
Superannuation	634	636
Workers' compensation insurance	135	137
Fringe benefit tax (FBT)	54	54
Training costs (other than salaries and wages)	162	146
Protective clothing	26	20
Other	58	17
<b>Total employee costs</b>	<b>7,840</b>	<b>7,499</b>
Less: capitalised costs	(367)	(359)
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>	<b>7,473</b>	<b>7,140</b>
Number of 'full-time equivalent' employees (FTE) at year end	100	95

**Accounting policy for employee benefits and on-costs**

Employee benefit expenses are recorded when the service has been provided by the employee.

*Retirement benefit obligations*

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

*Superannuation plans*

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.

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note 15 for more information.

**(b) Borrowing costs****(i) Interest bearing liability costs**

Interest on loans	108	59
<b>Total interest bearing liability costs expensed</b>	<b>108</b>	<b>59</b>
<b>TOTAL BORROWING COSTS EXPENSED</b>	<b>108</b>	<b>59</b>

**Accounting policy for borrowing costs**

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
<b>(c) Materials and contracts</b>		
Raw materials and consumables	6,629	5,090
Auditors remuneration <sup>2</sup>	57	65
<b>Legal expenses:</b>		
– Legal expenses: planning and development	8	18
– Legal expenses: debt recovery	–	47
<b>Operating leases:</b>		
– Operating lease rentals: minimum lease payments <sup>1</sup>	14	13
<b>Total materials and contracts</b>	<b>6,708</b>	<b>5,233</b>
<b><u>TOTAL MATERIALS AND CONTRACTS</u></b>	<b>6,708</b>	<b>5,233</b>

**Accounting policy for operating leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

**1. Operating lease payments are attributable to:**

Library photocopier	3	3
Other	11	10
	<b>14</b>	<b>13</b>

**2. Auditor remuneration**

During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

**Auditors of the Council - NSW Auditor-General:****(i) Audit and other assurance services**

Audit and review of financial statements	31	35
<b>Remuneration for audit and other assurance services</b>	<b>31</b>	<b>35</b>

**Total Auditor-General remuneration**

	<b>31</b>	<b>35</b>
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**(ii) Other non-assurance services****Non NSW Auditor-General audit firms**

Internal Audit	22	27
Audit Committee	4	3
<b>Total remuneration of non NSW Auditor-General audit firms</b>	<b>26</b>	<b>30</b>

**Total Auditor remuneration**

	<b>57</b>	<b>65</b>
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## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
<b>(d) Depreciation, amortisation and impairment of intangible assets and IPP&amp;E</b>		
<b>Depreciation and amortisation</b>		
Plant and equipment	918	863
Office equipment	78	110
Furniture and fittings	3	3
Land improvements (depreciable)	22	22
<b>Infrastructure:</b>		
– Buildings – non-specialised	290	270
– Buildings – specialised	28	26
– Roads	4,842	4,631
– Bridges	126	126
– Footpaths	66	64
– Stormwater drainage	24	24
– Water supply network	950	902
– Sewerage network	119	106
– Swimming pools	52	52
– Other open space/recreational assets	83	103
– Other infrastructure	40	35
<b>Other assets:</b>		
– Library books	9	7
– Other	105	105
<b>Total gross depreciation and amortisation costs</b>	<b>7,755</b>	<b>7,449</b>
<b>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT FOR IPP&amp;E</b>	<b>7,755</b>	<b>7,449</b>

**Accounting policy for depreciation, amortisation and impairment expenses of intangibles and IPP&E****Depreciation and amortisation**

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note 9 for IPPE assets.

**Impairment of non-financial assets**

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Other assets that do not meet the criteria above are tested 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.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
<b>(e) Other expenses</b>		
Advertising	32	41
Bad and doubtful debts	–	46
Bank charges	14	15
Contributions/levies to other levels of government		
– NSW fire brigade levy	16	17
– NSW rural fire service levy	169	175
– Regional library	23	20
– Shires association; RAMROC and other organisations	38	35
– Other contributions/levies	4	5
Councillor expenses – mayoral fee	23	25
Councillor expenses – councillors' fees	114	110
Councillors' expenses (incl. mayor) – other (excluding fees above)	27	35
Donations, contributions and assistance to other organisations (Section 356)	32	25
Electricity and heating	638	528
Insurance (excluding workers compensation)	222	204
Postage	16	15
Printing and stationery	18	19
Scholarship bursary	3	3
Street lighting	70	52
Subscriptions and publications	5	12
Telephone and communications	51	41
Tourism expenses (excluding employee costs)	16	30
Valuation fees	21	21
Private Works	253	180
Other	23	5
<b><u>TOTAL OTHER EXPENSES</u></b>	<b><u>1,828</u></b>	<b><u>1,659</u></b>

**Accounting policy for other expenses**

Other expenses are recorded on an accruals basis as the Council receives the goods or services.

## Note 5. Gains or losses from the disposal, replacement and de-recognition of assets

\$ '000	Notes	2019	2018
<b>Plant and equipment</b>			
	9(a)		
Proceeds from disposal – plant and equipment		1,097	1,358
Less: carrying amount of plant and equipment assets sold/written off		(1,047)	(1,280)
<b>Net gain/(loss) on disposal</b>		<b><u>50</u></b>	<b><u>78</u></b>
<b>Infrastructure</b>			
	9(a)		
Less: carrying amount of infrastructure assets sold/written off		(19)	–
<b>Net gain/(loss) on disposal</b>		<b><u>(19)</u></b>	<b><u>–</u></b>
<b>Investments</b>			
	6(b)		
Proceeds from disposal/redemptions/maturities – investments		10,453	7,830
Less: carrying amount of investments sold/redeemed/matured		(10,453)	(7,830)
<b>Net gain/(loss) on disposal</b>		<b><u>–</u></b>	<b><u>–</u></b>
<b><u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u></b>		<b><u>31</u></b>	<b><u>78</u></b>

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 5. Gains or losses from the disposal, replacement and de-recognition of assets

**Accounting policy for disposal of assets**

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income Statement.

The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

## Note 6(a). Cash and cash equivalent assets

\$ '000	2019	2018
<b>Cash and cash equivalents</b>		
Cash on hand and at bank	366	292
Cash-equivalent assets		
– Deposits at call	2,370	1,763
– Short-term deposits	5,112	6,164
<b>Total cash and cash equivalents</b>	<b>7,848</b>	<b>8,219</b>

**Accounting policy for cash and cash equivalents**

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: 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 Statement of Financial Position.

## Note 6(b). Investments

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
<b>Investments</b>				
a. 'Financial assets at amortised cost' / 'held to maturity' (2018)	12,101	–	8,721	–
b. 'Financial assets at fair value through other comprehensive income' / 'available for sale financial assets' (2018)	–	56	–	–
<b>Total Investments</b>	<b>12,101</b>	<b>56</b>	<b>8,721</b>	<b>–</b>
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS</b>	<b>19,949</b>	<b>56</b>	<b>16,940</b>	<b>–</b>
<b>Financial assets at amortised cost / held to maturity (2018)</b>				
Long term deposits	12,101	–	8,721	–
<b>Total</b>	<b>12,101</b>	<b>–</b>	<b>8,721</b>	<b>–</b>
<b>Financial assets at fair value through other comprehensive income / available for sale financial assets (2018)</b>				
Unlisted equity securities	–	56	–	–
<b>Total</b>	<b>–</b>	<b>56</b>	<b>–</b>	<b>–</b>

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 6(b). Investments (continued)

	Fair value at 30/06/19	Dividend income recognised during 1/7/18 – 30/6/19
<b>Financial assets designated as at fair value through other comprehensive income</b>		
Share in Southern Cross Phones	56	–
<b>Total</b>	<b>56</b>	<b>–</b>

No strategic investments were disposed of during 2019, and there were no transfers of any cumulative gain or loss within equity relating to this investment in Southern Phones.

**Accounting policy for investments****Accounting policy under AASB 9 – applicable from 1 July 2018**

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

**Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Classification**

On initial recognition, Council classifies its financial assets into the following categories – those measured at:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

**Amortised cost**

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Council's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Statement of Financial Position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

**Fair value through other comprehensive income – equity instruments**

Council has a strategic investment in Southern Phones over which they do not have significant influence nor control. Council has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 6(b). Investments (continued)

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These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to accumulated surplus and is not reclassified to profit or loss.

Other net gains and losses excluding dividends are recognised in Other Comprehensive Income Statement.

#### Accounting policy under AASB 139 – applicable for 2018 comparatives only

##### Classification

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

##### (a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Assets in this category are held at fair value with changes in value taken through profit or loss at each reporting period.

##### (b) Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council's management has the positive intention and ability to hold to maturity. Assets in this category are measured at amortised cost.

##### (c) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in other receivables (Note 8) and receivables (Note 7) in the Statement of Financial Position. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

##### (d) Available for sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term. Assets in this category are held at fair value with changes in fair value taken to other comprehensive income.

##### Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date: the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the Income Statement as gains and losses from investment securities.

##### Impairment of financial assets

Council assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 6(b). Investments (continued)

**Impairment of available for sale investments**

In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

## Note 6(c). Restricted cash, cash equivalents and investments – details

\$ '000	2019		2018	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	19,949	56	16,940	–
<b>attributable to:</b>				
External restrictions	4,418	56	2,843	–
Internal restrictions	12,661	–	10,323	–
Unrestricted	2,870	–	3,774	–
	19,949	56	16,940	–

\$ '000	2019	2018
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## Details of restrictions

**External restrictions – included in liabilities**

Specific purpose unexpended loans – general	433	–
Security deposits	42	60

<b>External restrictions – included in liabilities</b>	<b>475</b>	<b>60</b>
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**External restrictions – other**

Developer contributions – general	312	186
Specific purpose unexpended grants	459	226
Water supplies	2,767	2,105
Sewerage services	461	266

<b>External restrictions – other</b>	<b>3,999</b>	<b>2,783</b>
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<b>Total external restrictions</b>	<b>4,474</b>	<b>2,843</b>
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**Internal restrictions**

Plant and vehicle replacement	1,100	1,100
Employees leave entitlement	1,492	1,392
Buildings	648	544
Carry over works	1,359	837
Council dwellings	80	60
Gravel pits reserve	1,649	1,459
Hillston caravan park	275	275
Hillston pool carpark	4	4
Local roads	2,014	775
Office furniture	15	15
Road warranty fund	350	350
Staff training	20	15
Tips remediation	174	274
Tourism	41	41
Hillston Community Hall	93	91
FAGS in Advance	3,047	2,890

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 6(c). Restricted cash, cash equivalents and investments – details (continued)

\$ '000	2019	2018
Tips Capital Reserve	150	–
Grant Reserve	150	150
Domestic Waste Reserve	–	51
<b>Total internal restrictions</b>	<b>12,661</b>	<b>10,323</b>
<b>TOTAL RESTRICTIONS</b>	<b>17,135</b>	<b>13,166</b>

## Note 7. Receivables

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
<b>Purpose</b>				
Rates and annual charges	201	272	127	85
Interest and extra charges	43	20	53	24
User charges and fees	115	98	1,822	68
Private works	–	–	1	–
Accrued revenues				
– Interest on investments	50	–	49	–
– Other income accruals	70	–	39	–
Deferred debtors	14	112	14	132
Government grants and subsidies	134	74	502	–
Net GST receivable	184	–	41	–
Hillston sewer pressure system	6	6	15	–
K and G	–	6	–	9
Other debtors – various	10	7	83	–
Workers compensation claims	5	–	1	–
<b>Total</b>	<b>832</b>	<b>595</b>	<b>2,747</b>	<b>318</b>
<b>Less: provision of impairment</b>				
Rates and annual charges	(71)	–	(71)	–
Interest and extra charges	(24)	–	(24)	–
User charges and fees	(38)	–	(38)	–
Other debtors	(28)	–	(28)	–
<b>Total provision for impairment – receivables</b>	<b>(161)</b>	<b>–</b>	<b>(161)</b>	<b>–</b>
<b>TOTAL NET RECEIVABLES</b>	<b>671</b>	<b>595</b>	<b>2,586</b>	<b>318</b>
<b>Externally restricted receivables</b>				
<b>Water supply</b>				
– Rates and availability charges	122	80	109	–
– Other	103	168	317	68
<b>Sewerage services</b>				
– Rates and availability charges	47	19	52	–
– Other	6	6	15	–
<b>Total external restrictions</b>	<b>278</b>	<b>273</b>	<b>493</b>	<b>68</b>
<b>Unrestricted receivables</b>	<b>393</b>	<b>322</b>	<b>2,093</b>	<b>250</b>
<b>TOTAL NET RECEIVABLES</b>	<b>671</b>	<b>595</b>	<b>2,586</b>	<b>318</b>

continued on next page ...

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 7. Receivables (continued)

\$ '000	2019	2018
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year (Amount restated on adoption of AASB 9)	161	218
– amounts already provided for and written off this year	–	(57)
<b>Balance at the end of the period</b>	<b>161</b>	<b>161</b>

**Accounting policy for receivables****Recognition and measurement**

Receivables are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

**Impairment****Accounting policy under AASB 9 applicable from 1 July 2018**

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

When considering the ECL for rates debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates debtors, Council uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Council uses the presentation that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Council in full, without recourse by the Council to actions such as realising security (if any is held) or
- the financial assets (for non-rates debtors) are more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 2 years past due, whichever occurs first.

None of the receivables that have been written off are subject to enforcement activity.

Where the Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

**Accounting policy under AASB 139 – applicable for 2018 comparatives only**

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.



## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 7. Receivables (continued)

Collectability of receivables is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. When a receivable for which an impairment allowance had been recognised becomes uncollectable 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.

Rates and annual charges outstanding are secured against the property.

## Note 8. Inventories and other assets

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
<b>Inventories</b>				
<b>(i) Inventories at cost</b>				
Real estate for resale	159	–	159	–
Stores and materials	1,999	–	1,286	–
<b>Total inventories at cost</b>	<b>2,158</b>	<b>–</b>	<b>1,445</b>	<b>–</b>
<b>TOTAL INVENTORIES</b>	<b>2,158</b>	<b>–</b>	<b>1,445</b>	<b>–</b>

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
<b>Total unrestricted assets</b>	<b>2,158</b>	<b>–</b>	<b>1,445</b>	<b>–</b>
<b>TOTAL INVENTORIES AND OTHER ASSETS</b>	<b>2,158</b>	<b>–</b>	<b>1,445</b>	<b>–</b>

**(i) Other disclosures**

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
<b>(a) Details for real estate development</b>				
Residential	159	–	159	–
<b>Total real estate for resale</b>	<b>159</b>	<b>–</b>	<b>159</b>	<b>–</b>

(Valued at the lower of cost and net realisable value)

**Represented by:**

Acquisition costs	159	–	159	–
<b>Total costs</b>	<b>159</b>	<b>–</b>	<b>159</b>	<b>–</b>

<b>Total real estate for resale</b>	<b>159</b>	<b>–</b>	<b>159</b>	<b>–</b>
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**Movements:**

Real estate assets at beginning of the year	159	–	159	–
<b>Total real estate for resale</b>	<b>159</b>	<b>–</b>	<b>159</b>	<b>–</b>

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 8. Inventories and other assets (continued)

The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;

\$ '000	2019	2018
<b>(b) Current assets not anticipated to be settled within the next 12 months</b>		
Real estate for resale	159	159
	159	159

**Accounting policy for inventories and other assets****Raw materials and stores, work in progress and finished goods**

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**Inventory held for distribution**

Inventory held for distribution is held at cost, adjusted where applicable for any loss of service potential.

**Land held for resale/capitalisation of borrowing costs**

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

## Notes to the Financial Statements for the year ended 30 June 2019

### Note 9(a). Infrastructure, property, plant and equipment

\$ '000	as at 30/6/2018			Asset movements during the reporting period						as at 30/6/2019		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	1,613	–	1,613	992	10,074	–	–	(553)	(23)	12,102	–	12,102
Plant and equipment	13,267	(6,977)	6,290	2,130	–	(1,047)	(918)	–	–	13,303	(6,848)	6,455
Office equipment	1,519	(1,342)	177	143	–	–	(78)	–	–	1,662	(1,420)	242
Furniture and fittings	441	(430)	11	4	–	–	(3)	–	–	445	(433)	12
<b>Land:</b>												
– Operational land	1,199	–	1,199	–	–	–	–	24	–	1,223	–	1,223
– Community land	1,911	–	1,911	–	–	–	–	–	–	1,911	–	1,911
Land improvements – depreciable	1,038	(436)	602	114	–	–	(22)	–	–	1,152	(458)	694
<b>Infrastructure:</b>												
– Buildings – non-specialised	26,902	(14,601)	12,301	248	–	–	(290)	111	–	27,259	(14,894)	12,365
– Buildings – specialised	1,694	(1,016)	678	7	133	–	(28)	154	–	1,988	(1,044)	944
– Other structures	15	–	15	–	–	–	–	–	–	15	–	15
– Roads	170,962	(42,520)	128,442	1,843	1,583	–	(4,842)	228	–	174,617	(47,363)	127,254
– Bridges	12,589	(5,279)	7,310	–	–	–	(126)	–	–	12,589	(5,405)	7,184
– Footpaths	1,657	(216)	1,441	59	–	(19)	(66)	–	–	1,694	(279)	1,415
– Stormwater drainage	2,254	(889)	1,365	–	–	–	(24)	–	–	2,254	(913)	1,341
– Water supply network	64,379	(26,567)	37,812	381	73	–	(950)	36	–	64,868	(27,516)	37,352
– Sewerage network	6,801	(2,996)	3,805	12	16	–	(119)	–	–	6,829	(3,115)	3,714
– Swimming pools	3,502	(1,094)	2,408	–	–	–	(52)	–	–	3,502	(1,147)	2,355
– Other open space/recreational assets	2,307	(1,306)	1,001	282	113	–	(83)	–	–	2,702	(1,383)	1,319
– Other infrastructure	1,860	(145)	1,715	–	–	–	(40)	–	–	1,860	(185)	1,675
<b>Other assets:</b>												
– Library books	213	(168)	45	–	12	–	(9)	–	–	224	(176)	48
– Other	3,199	(2,251)	948	89	–	–	(105)	–	–	3,288	(2,356)	932
<b>Total Infrastructure, property, plant and equipment</b>	<b>319,322</b>	<b>(108,233)</b>	<b>211,089</b>	<b>6,304</b>	<b>12,004</b>	<b>(1,066)</b>	<b>(7,755)</b>	<b>–</b>	<b>(23)</b>	<b>335,487</b>	<b>(114,935)</b>	<b>220,552</b>

(1) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 9(a). Infrastructure, property, plant and equipment (continued)

	as at 30/6/2017			Asset movements during the reporting period								as at 30/6/2018		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
<b>\$ '000</b>														
Capital work in progress	1,731	–	1,731	151	597	–	–	(866)	–	–	–	1,613	–	1,613
Plant and equipment	12,474	(6,618)	5,856	2,577	–	(1,280)	(863)	–	–	–	–	13,267	(6,977)	6,290
Office equipment	1,430	(1,232)	198	66	–	–	(110)	23	–	–	–	1,519	(1,342)	177
Furniture and fittings	440	(427)	13	–	1	–	(3)	–	–	–	–	441	(430)	11
<b>Land:</b>														
– Operational land	1,194	–	1,194	–	5	–	–	–	–	–	–	1,199	–	1,199
– Community land	1,911	–	1,911	–	–	–	–	–	–	–	–	1,911	–	1,911
Land improvements – depreciable	1,010	(415)	595	–	–	–	(22)	28	–	–	–	1,038	(436)	602
<b>Infrastructure:</b>														
– Buildings – non-specialised	26,762	(14,331)	12,431	83	–	–	(270)	54	–	–	–	26,902	(14,601)	12,301
– Buildings – specialised	1,692	(990)	702	2	–	–	(26)	–	–	–	–	1,694	(1,016)	678
– Other structures	–	–	–	15	–	–	–	–	–	–	–	15	–	15
– Roads	166,582	(38,012)	128,570	3,782	855	–	(4,631)	218	–	(352)	–	170,962	(42,520)	128,442
– Bridges	12,589	(5,153)	7,436	–	–	–	(126)	–	–	–	–	12,589	(5,279)	7,310
– Footpaths	1,609	(151)	1,458	47	–	–	(64)	–	–	–	–	1,657	(216)	1,441
– Stormwater drainage	2,254	(865)	1,389	–	–	–	(24)	–	–	–	–	2,254	(889)	1,365
– Water supply network	65,026	(26,354)	38,672	686	70	–	(902)	169	–	(883)	–	64,379	(26,567)	37,812
– Sewerage network	6,491	(2,871)	3,620	171	63	–	(106)	29	–	–	28	6,801	(2,996)	3,805
– Swimming pools	3,502	(1,042)	2,460	–	–	–	(52)	–	–	–	–	3,502	(1,094)	2,408
– Other open space/recreational assets	3,495	(1,336)	2,159	100	102	–	(103)	7	(774)	(490)	–	2,307	(1,306)	1,001
– Other infrastructure	–	–	–	641	–	–	(35)	335	774	–	–	1,860	(145)	1,715
<b>Other assets:</b>														
– Library books	196	(161)	35	17	–	–	(7)	–	–	–	–	213	(168)	45
– Other	3,173	(2,147)	1,026	23	–	–	(105)	3	–	–	–	3,199	(2,251)	948
<b>Total Infrastructure, property, plant and equipment</b>	<b>313,561</b>	<b>(102,105)</b>	<b>211,456</b>	<b>8,361</b>	<b>1,693</b>	<b>(1,280)</b>	<b>(7,449)</b>	<b>–</b>	<b>–</b>	<b>(1,725)</b>	<b>28</b>	<b>319,322</b>	<b>(108,233)</b>	<b>211,089</b>

(1) Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 9(a). Infrastructure, property, plant and equipment (continued)

**Accounting policy for infrastructure, property, plant and equipment**

Infrastructure, property, plant and equipment are held at fair value. Independent comprehensive valuations are performed at least every five years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Department of Industry (DoI) – Water.

Increases in the carrying amounts arising on revaluation are credited to the revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

When infrastructure, property, plant and equipment are acquired by Council for nil or nominal consideration, the assets are initially recognised at their fair value at acquisition date.

Land is not depreciated. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Council will obtain ownership at the end of the lease term. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

<b>Plant and equipment</b>	Years	<b>Other equipment</b>	Years
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 8	<b>Buildings</b>	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
<b>Water and sewer assets</b>		<b>Stormwater assets</b>	
Dams and reservoirs	80 to 100	Drains	70 to 100
Bores	20 to 40	Culverts	50 to 80
Reticulation pipes: PVC	70 to 80	Flood control structures	80 to 100
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 20		
<b>Transportation assets</b>		<b>Other infrastructure assets</b>	
Sealed roads: surface	18	Bulk earthworks	Infinite
Sealed roads: structure	90	Swimming pools	50 to 100
Unsealed roads	20		
Bridge: concrete	100	Other open space/recreational assets	10 to 20
Bridge: other	50	Other infrastructure	25 to 100
Road pavements	200		
Kerb, gutter and footpaths	40		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

**Land under roads**

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051 Land Under Roads.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 9(a). Infrastructure, property, plant and equipment (continued)

Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 Property, Plant and Equipment.

**Crown reserves**

Crown reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Improvements on Crown reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

**Rural Fire Service assets**

Under Section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all firefighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the firefighting equipment has been purchased or constructed".

Council recognises Rural Fire Service buildings that are on Council land or Council controlled Crown land but Council will not recognise Rural Fire Service plant and equipment that is not in its control.

## Note 9(b). Externally restricted infrastructure, property, plant and equipment

\$ '000	2019			2018		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
<b>Water supply</b>						
WIP	11	–	11	45	–	45
Plant and equipment	170	–	170	170	170	–
Land						
Infrastructure	64,868	27,516	37,352	64,379	26,567	37,812
<b>Total water supply</b>	<b>65,049</b>	<b>27,516</b>	<b>37,533</b>	<b>64,594</b>	<b>26,737</b>	<b>37,857</b>
<b>Sewerage services</b>						
Plant and equipment	70	20	50	70	14	56
Land						
Infrastructure	6,829	3,115	3,714	6,801	2,996	3,805
<b>Total sewerage services</b>	<b>6,899</b>	<b>3,135</b>	<b>3,764</b>	<b>6,871</b>	<b>3,010</b>	<b>3,861</b>
<b><u>TOTAL RESTRICTED I,PP&amp;E</u></b>	<b>71,948</b>	<b>30,651</b>	<b>41,297</b>	<b>71,465</b>	<b>29,747</b>	<b>41,718</b>

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 10. Payables and borrowings

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
<b>Payables</b>				
Goods and services – operating expenditure	570	–	514	–
Goods and services – capital expenditure	3,519	–	823	–
Accrued expenses:				
– Borrowings	5	–	6	–
– Salaries and wages	258	–	267	–
– Other expenditure accruals	179	–	128	–
Security bonds, deposits and retentions	4	–	24	–
Security deposits	47	–	127	–
Section 94A	–	–	186	–
Suspense Accounts	1	–	6	–
Home Care Packages	276	–	11	–
<b>Total payables</b>	<b>4,859</b>	<b>–</b>	<b>2,092</b>	<b>–</b>
<b>Borrowings</b>				
Loans – secured <sup>1</sup>	331	2,993	276	1,124
<b>Total borrowings</b>	<b>331</b>	<b>2,993</b>	<b>276</b>	<b>1,124</b>
<b><u>TOTAL PAYABLES AND BORROWINGS</u></b>	<b><u>5,190</u></b>	<b><u>2,993</u></b>	<b><u>2,368</u></b>	<b><u>1,124</u></b>

(1) Loans are secured over the general rating income of Council.

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 18.

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
<b>(a) Payables and borrowings relating to restricted assets</b>				
<b>Externally restricted assets</b>				
Water	92	1,601	74	1,443
Sewer	24	529	25	554
Other (significant trust deposits)	276	–	60	–
Payables and borrowings relating to externally restricted assets	392	2,130	159	1,997
<b>Total payables and borrowings relating to restricted assets</b>	<b>392</b>	<b>2,130</b>	<b>159</b>	<b>1,997</b>
<b>Total payables and borrowings relating to unrestricted assets</b>	<b>4,798</b>	<b>863</b>	<b>2,209</b>	<b>(873)</b>
<b><u>TOTAL PAYABLES AND BORROWINGS</u></b>	<b><u>5,190</u></b>	<b><u>2,993</u></b>	<b><u>2,368</u></b>	<b><u>1,124</u></b>

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 10. Payables and borrowings (continued)

\$ '000	2019	2018
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**(b) Current payables and borrowings not anticipated to be settled within the next twelve months**

The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.

Other liabilities: (Security Deposits, Section 94A)	83	313
<b>Total payables and borrowings</b>	<b>83</b>	<b>313</b>

**(c) Changes in liabilities arising from financing activities**

\$ '000	as at 30/6/2018					as at 30/6/2019	
	Opening Balance	Cash flows	Non-cash acquisitions	Non-cash fair value changes	Other non-cash movements	Closing balance	
Loans – secured	1,400	1,924	–	–	–	3,324	
<b>TOTAL</b>	<b>1,400</b>	<b>1,924</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,324</b>	

\$ '000	as at 30/6/2017					as at 30/6/2018	
	Opening Balance	Cash flows	Non-cash acquisitions	Non-cash fair value changes	Other non-cash movements	Closing balance	
Loans – secured	1,726	(326)	–	–	–	1,400	
<b>TOTAL</b>	<b>1,726</b>	<b>(326)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,400</b>	

\$ '000	2019	2018
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**(d) Financing arrangements****(i) Unrestricted access was available at balance date to the following lines of credit:**

Credit cards/purchase cards	50	50
<b>Total financing arrangements</b>	<b>50</b>	<b>50</b>

**Undrawn facilities as at balance date:**

– Credit cards/purchase cards	50	50
<b>Total undrawn financing arrangements</b>	<b>50</b>	<b>50</b>

**Additional financing arrangements information****Breaches and defaults**

During the current and prior year, there were no defaults or breaches on any of the loans.

**Security over loans**

Council loans are secured over future cash flows and leased liabilities are secured by the underlying leased assets.



## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 10. Payables and borrowings (continued)

**Accounting policy for payables and borrowings**

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Council comprise trade payables, bank and other loans and finance lease liabilities.

**Payables**

These amounts represent liabilities for goods and services provided to the council prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective-interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance cost.

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

**Finance leases**

Leases of property, plant and equipment where Council, as lessee, has substantially all the risks and rewards of ownership, are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased assets or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Income Statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

## Note 11. Provisions

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
<b>Provisions</b>				
<b>Employee benefits</b>				
Annual leave	480	–	490	–
Sick leave	551	–	498	–
Long service leave	1,148	99	1,025	70
ELE on-costs	130	–	126	–
<b>Sub-total – aggregate employee benefits</b>	<b>2,309</b>	<b>99</b>	<b>2,139</b>	<b>70</b>
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	–	2,110	–	1,610
<b>Sub-total – asset remediation/restoration</b>	<b>–</b>	<b>2,110</b>	<b>–</b>	<b>1,610</b>
<b>TOTAL PROVISIONS</b>	<b>2,309</b>	<b>2,209</b>	<b>2,139</b>	<b>1,680</b>

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 11. Provisions (continued)

\$ '000	2019	2018
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**(a) Current provisions not anticipated to be settled within the next twelve months**

The following provisions, even though classified as current, are not expected to be settled in the next 12 months.

Provisions – employees benefits	1,599	1,404
	<b>1,599</b>	<b>1,404</b>

**(b) Description of and movements in provisions**

\$ '000	ELE provisions				Total
	Annual leave	Sick leave	Long service leave	ELE on-costs	
<b>2019</b>					
At beginning of year	490	498	1,095	126	2,209
Other	(10)	53	152	4	199
Total ELE provisions at end of period	480	551	1,247	130	2,408
<b>2018</b>					
At beginning of year	450	640	1,129	131	2,350
Additional provisions	411	(9)	126	–	528
Amounts used (payments)	(382)	(133)	(167)	–	(682)
Remeasurement effects	11	6	7	(5)	19
Unused amounts reversed	–	(6)	–	–	(6)
Total ELE provisions at end of period	490	498	1,095	126	2,209

\$ '000	Other provisions	
	Asset remediation	Total
<b>2019</b>		
At beginning of year	1,610	1,610
Reassessment completed on gravel pits	500	500
Total other provisions at end of period	2,110	2,110
<b>2018</b>		
At beginning of year	1,696	1,696
– Revised costs	(86)	(86)
Total other provisions at end of period	1,610	1,610

**Nature and purpose of non-employee benefit provisions****Asset remediation**

Council has a legal/public obligation to make, restore, rehabilitate and reinstate the council tips and quarries.

**Accounting policy for provisions**

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

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.

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 11. Provisions (continued)

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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.

#### Employee benefits

##### Short-term obligations

Liabilities for wages and salaries (including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service) are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

##### Other long-term employee benefit obligations

The liability for long-service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

##### On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation, payroll tax and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

The obligations are presented as current liabilities in the Statement of Financial Position if the Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

#### Provisions for close-down and restoration, and environmental clean-up costs – tips and quarries

##### Restoration

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

##### Rehabilitation

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each reporting date, and the cost is charged to the Income Statement.

Provision is made for the estimated present value of the costs of environmental clean-up obligations outstanding at the reporting date. These costs are charged to the Income Statement. Movements in the environmental clean-up provisions are presented as an operating cost, except for the unwinding of the discount which is shown as a borrowing cost.

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 11. Provisions (continued)

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Remediation procedures generally commence soon after the time the damage, remediation process, and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques, or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result, there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

Other movements in the provisions for close-down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations, and revisions to discount rates, are capitalised within property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

Close-down and restoration costs are a normal consequence of tip and quarry operations, and the majority of close-down and restoration expenditure is incurred at the end of the life of the operations. Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

### Note 12. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

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#### (a) Nature and purpose of reserves

##### **Infrastructure, property, plant and equipment revaluation reserve**

The infrastructure, property, plant and equipment revaluation reserve is used to record increments / decrements of non-current asset values due to their revaluation.

##### **Fair value through other comprehensive income reserve (FVOCI)**

Changes in the fair value of financial assets are taken through the fair value through other comprehensive income revaluation reserve. The accumulated changes in fair value are transferred to profit or loss when the financial asset is derecognised or impaired.

#### (b) Changes in accounting policies due to adoption of new accounting standards (not-retrospective)

During the year, Council adopted a number of new accounting standards. The impact of the adoption and associated transition disclosures are shown below.

The Council has adopted AASB 9 Financial Instruments for the first time in the current year with a date of initial adoption of 1 July 2017. As part of the adoption of AASB 9, the Council adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 Presentation of Financial Statements requires the impairment of financial assets to be presented in a separate line item in the income statement. In prior year, this information was presented as part of other expenses.
- AASB 7 Financial Instruments: Disclosures requires amended disclosures due to changes arising from AASB 9. These disclosures have been provided for the current year.

The key changes to Council's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except Council has not restated any amounts relating to classification and measurement requirements, including impairment, which have been applied from 1 July 2018.

## Notes to the Financial Statements

for the year ended 30 June 2019

**Note 12. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)****Classification of financial assets**

The financial assets of Council have been reclassified into one of the following categories on adoption of AASB 9, based primarily on the business model in which a financial asset is managed and its contractual cash flow characteristics are:

- measured at amortised cost
- fair value through profit or loss
- fair value through other comprehensive income – equity instruments

**Measurement of equity instruments**

All equity instruments of the Council are measured at fair value under AASB 9 whereas there was a cost exception under AASB 139 that allowed certain unlisted investments to be carried at amortised cost in the absence of a reliable measurement of fair value. Any difference in the previous carrying amount and the fair value is recognised in the opening retained earnings (or other component of equity, as appropriate) at 1 July 2018.

Equity instruments are no longer subject to impairment testing and therefore all movements on equity instruments, classified as fair value through other comprehensive income, are taken to the relevant reserve.

**Impairment of financial assets**

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost. This has resulted in the earlier recognition of credit loss (bad debt provisions).

**Adjustments to the current year figures for the year ended 30 June 2019****Statement of Financial Position**

\$ '000	Original Balance 1 July, 2018	Impact Increase/ (decrease)	Restated Balance 1 July, 2018
Southern Phone company investment	–	88	88
<b>Total assets</b>	<b>243,925</b>	<b>88</b>	<b>244,013</b>
<b>Total liabilities</b>	<b>12,701</b>	<b>–</b>	<b>12,701</b>
Financial assets at FVOCI	–	88	88
<b>Total equity</b>	<b>231,224</b>	<b>88</b>	<b>231,312</b>

**Transition adjustments**

The impacts to reserves and retained earnings on adoption of AASB 9 at 1 July 2018 are shown below:

\$ '000	Available for sale invest- ment revaluation reserve	FVOCI reserve	Retained earnings	Non- controlling interests	Total
Reclassify investments from 'available for sale' to fair value through other comprehensive income – equity	–	88	–	–	88

This is the first year Council has shown the value of the share in Southern Phones and has introduced the FVOCI Reserve based on the share value of \$88K as at 1 July 2018.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 13. Statement of cash flows - additional information

\$ '000	Notes	2019	2018
<b>(a) Reconciliation of cash assets</b>			
Total cash and cash equivalent assets	6(a)	7,848	8,219
<b>Balance as per the Statement of Cash Flows</b>		<b>7,848</b>	<b>8,219</b>
<b>(b) Reconciliation of net operating result to cash provided from operating activities</b>			
<b>Net operating result from Income Statement</b>		6,157	3,467
<b>Adjust for non-cash items:</b>			
Depreciation and amortisation		7,755	7,449
Net losses/(gains) on disposal of assets		(31)	(78)
<b>+/- Movement in operating assets and liabilities and other cash items:</b>			
Decrease/(increase) in receivables		1,618	(2,087)
Increase/(decrease) in provision for impairment of receivables		-	(57)
Decrease/(increase) in inventories		(713)	173
Increase/(decrease) in payables		56	(275)
Increase/(decrease) in accrued interest payable		(1)	-
Increase/(decrease) in other accrued expenses payable		42	395
Increase/(decrease) in other liabilities		(26)	51
Increase/(decrease) in provision for employee benefits		199	(141)
Increase/(decrease) in other provisions		500	(86)
<b>Net cash provided from/(used in) operating activities from the Statement of Cash Flows</b>		<b>15,556</b>	<b>8,811</b>

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 14. Commitments

\$ '000	2019	2018
<b>(a) Capital commitments (exclusive of GST)</b>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Property, plant and equipment</b>		
Other	1,259	–
<b>Total commitments</b>	<b>1,259</b>	<b>–</b>
<b>These expenditures are payable as follows:</b>		
Within the next year	1,259	–
<b>Total payable</b>	<b>1,259</b>	<b>–</b>
<b>Sources for funding of capital commitments:</b>		
Future grants and contributions	1,259	–
<b>Total sources of funding</b>	<b>1,259</b>	<b>–</b>

**Details of capital commitments**

The Construction of the Carrathool Bridge across the Murrumbidgee River

**(b) Operating lease commitments (non-cancellable)****a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:**

Within the next year	8	11
Later than one year and not later than 5 years	9	17
<b>Total non-cancellable operating lease commitments</b>	<b>17</b>	<b>28</b>

**b. Non-cancellable operating leases include the following assets:**

Lease from Neopost Finance for a Folder/Inserter Machine. Commenced on 1 October 2016 for 5 years with quarterly repayments.

**Conditions relating to finance and operating leases:**

- All finance agreements are secured only against the leased asset.
- No lease agreements impose any financial restrictions on Council regarding future debt etc.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 15. Contingencies and other assets/liabilities not recognised

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

**LIABILITIES NOT RECOGNISED****1. Guarantees****(i) Defined benefit superannuation contribution plans**

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB119 Employee Benefits for the following reasons:

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.
- Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer.
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers, and hence shares in the associated gains and losses (to the extent that they are not borne by members).

*Description of the funding arrangements.*

Pooled employers are required to pay standard employer contributions and additional lump sum contributions to the fund.

The standard employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current standard employer contribution rates are:

Division B	1.9 times employee contributions for non 180 Point Members; Nil for 180 Point Members*
Division C	2.5% salaries
Division D	1.64 times employee contributions

\* For 180 Point Members, employers are required to contribute 7% of salaries to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$40 million for 1 July 2018 to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2018. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

*Description of the extent to which Council can be liable to the plan for other Council's obligations under the terms and conditions of the multi-employer plan*

As stated above, each sponsoring employer (Council) is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the Council.

There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on wind-up.



## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 15. Contingencies and other assets/liabilities not recognised (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2019 was \$ 91,562.54. The last valuation of the Scheme was performed by Mr Richard Boyfield FIAA on 31 December 2018, and covers the period ended 30 June 2019.

Council's expected contribution to the plan for the next annual reporting period is \$115,800.00.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2019 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	1,798.7	
Past Service Liabilities	1,784.2	100.8%
Vested Benefits	1,792.0	100.4%

\* excluding member accounts and reserves in both assets and liabilities.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has a possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

The key economic long term assumptions used to calculate the present value of accrued benefits are:

Investment return	5.75% per annum
Salary inflation *	3.5% per annum
Increase in CPI	2.5% per annum

\* Plus promotional increases

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group.

**(ii) Statewide Limited**

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to local government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30/6 this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

**(iii) StateCover Limited**

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

**(iv) Other guarantees**

Council has provided no other guarantees other than those listed above.

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 15. Contingencies and other assets/liabilities not recognised (continued)

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#### 2. Other liabilities

##### (i) Third party claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its insurance coverage and does not expect any material liabilities to eventuate.

#### ASSETS NOT RECOGNISED

##### (i) Land under roads

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30/6/08.

##### (ii) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

Council's revenue recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

Due to the limited information available on the status, value and duration of outstanding notices, Council is unable to determine the value of outstanding income.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 16. Financial risk management

## 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 Council's finance section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

\$ '000	Carrying value 2019	Carrying value 2018	Fair value 2019	Fair value 2018
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Cash and cash equivalents	7,848	8,219	7,848	8,219
Receivables	1,266	2,904	671	885
Investments				
– 'Financial assets at amortised cost' / 'held to maturity' (2018)	12,101	8,721	12,101	8,721
<b>Fair value through other comprehensive income</b>				
Investments				
– 'Financial assets at fair value through other comprehensive income' / 'available for sale financial assets' (2018)	56	–	–	–
<b>Total financial assets</b>	<b>21,271</b>	<b>19,844</b>	<b>20,620</b>	<b>17,825</b>
<b>Financial liabilities</b>				
Payables	4,859	2,092	4,583	2,004
Loans/advances	3,324	1,400	3,324	1,400
<b>Total financial liabilities</b>	<b>8,183</b>	<b>3,492</b>	<b>7,907</b>	<b>3,404</b>

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings and held-to-maturity investments** – are based upon estimated future cash flows discounted by the current mkt interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified (i) **'at fair value through profit and loss'** or (ii) **'available-for-sale'** – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

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

Council's finance area manages the cash and Investments portfolio.

Council has an investment policy which complies with the Local Government Act 1993 and Minister's investment order 625. 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 as required by Local Government regulations.

The risks associated with the instruments held are:

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 16. Financial risk management (continued)

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.
- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

## (a) Market risk – price risk and interest rate risk

The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.

\$ '000	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
<b>2019</b>				
Possible impact of a 1% movement in interest rates	172	172	(172)	(172)
<b>2018</b>				
Possible impact of a 1% movement in interest rates	166	166	(166)	(166)

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 16. Financial risk management (continued)

**(b) Credit risk**

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures. Council also encourages ratepayers to pay their rates by the due date through incentives.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Council makes suitable provision for doubtful receivables as required.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

**Credit risk profile****Receivables – rates and annual charges**

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts – that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates which further encourages the payment of debt.

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
<b>2019</b>						
Gross carrying amount	–	339	45	89	–	473
<b>2018</b>						
Gross carrying amount	109	103	–	–	–	212

**Receivables - non-rates and annual charges**

Council applies the simplified approach for non-rates and annual charges debtors to provide for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, non-rates and annual charges debtors have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision as at 30 June 2019 is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
<b>2019</b>						
Gross carrying amount	703	26	6	5	214	954
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	13.00%	2.92%
<b>ECL provision</b>	–	–	–	–	28	28
<b>2018</b>						
Gross carrying amount	2,635	77	3	70	68	2,853
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ECL provision</b>	–	–	–	–	–	–

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 16. Financial risk management (continued)

## (c) Liquidity risk

Payables and 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 and overdraft facilities utilised as required.

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through diversification of borrowing types, maturities and interest rate structures. The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows.

The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				1 - 5 Years	> 5 Years		
<b>2019</b>							
Trade/other payables	0.00%	4	4,855	–	–	4,859	4,859
Loans and advances	3.50%	–	331	1,084	1,909	3,324	3,324
<b>Total financial liabilities</b>		<b>4</b>	<b>5,186</b>	<b>1,084</b>	<b>1,909</b>	<b>8,183</b>	<b>8,183</b>
<b>2018</b>							
Trade/other payables	0.00%	24	2,068	–	–	2,092	2,092
Loans and advances	4.16%	–	276	763	361	1,400	1,400
<b>Total financial liabilities</b>		<b>24</b>	<b>2,344</b>	<b>763</b>	<b>361</b>	<b>3,492</b>	<b>3,492</b>

## Loan agreement breaches

Detail here any breaches to loan agreements which have occurred during the reporting year.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 17. Material budget variations

Council's original financial budget for 18/19 was adopted by the Council on 26/06/2018 and is unaudited.

While the Income Statement included in this General Purpose Financial Statements must disclose the original budget adopted by Council, the Local Government Act 1993 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.

Material variations represent those variances between the original budget figure and the actual result that amount to **10%** or more.

**Variation Key:** **F** = Favourable budget variation, **U** = Unfavourable budget variation.

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance -----	
<b>REVENUES</b>				
<b>Rates and annual charges</b>	5,059	5,058	(1)	0% <b>U</b>
<b>User charges and fees</b>	5,398	4,716	(682)	(13)% <b>U</b>
RMS Special Work Orders Income \$408K less than budget. This work is dependent on availability. Hillston Caravan Park Short term cabins income \$49K less than budgeted and Long Term Cabins \$28K less than budgeted due to numerous factors.				
<b>Interest and investment revenue</b>	382	453	71	19% <b>F</b>
Investment levels were higher than anticipated in term deposits due to levels of grant funding. Interest earned was more than budgeted for in the estimates.				
<b>Other revenues</b>	256	280	24	9% <b>F</b>
<b>Operating grants and contributions</b>	11,654	11,490	(164)	(1)% <b>U</b>
<b>Capital grants and contributions</b>	12,967	8,001	(4,966)	(38)% <b>U</b>
.Grant Funding for the Carrathool Bridge Project \$12 million budgeted with \$6.75 million received. Timing of payments from the Commonwealth delayed due to delay in milestone achievements and timing of the payments from the NSW State Government.				
<b>Net gains from disposal of assets</b>	83	31	(52)	(63)% <b>U</b>
Sale proceeds in some plant sales were not as high as anticipated due to fall in used market prices				
<b>EXPENSES</b>				
<b>Employee benefits and on-costs</b>	7,927	7,473	454	6% <b>F</b>
<b>Borrowing costs</b>	145	108	37	26% <b>F</b>
Internal Loans factored into budget and repayments of \$47K offset.				
<b>Materials and contracts</b>	8,504	6,708	1,796	21% <b>F</b>
RMS Special Work Orders under spent by \$979K, less work received than budgeted, Town & Village Sts R & M under spent by \$78K, (timing issues) and Regional Roads Flood damage under spent by \$324K. (works not approved).				
<b>Depreciation and amortisation</b>	7,650	7,755	(105)	(1)% <b>U</b>
<b>Other expenses</b>	1,932	1,828	104	5% <b>F</b>

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 17. Material budget variations

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance -----		
<b>STATEMENT OF CASH FLOWS</b>					
Net cash provided from (used in) operating activities	15,521	15,556	35	0%	<b>F</b>
Net cash provided from (used in) investing activities	(25,150)	(17,851)	7,299	(29)%	<b>F</b>
Major Capital works in progress or not completed include, Stronger Country Community Funds \$1.5 million, Carrathool Bridge \$1.3 Million, Local Road Works \$600K, Parks & Gardens \$74K, IT Equipment \$76K, Goolgowi Pool \$183K, Hillston Pool \$40K, Rubbish Tips \$74K, Land Subdivision \$250K and Council Dwellings \$55K.					
Net cash provided from (used in) financing activities	1,924	1,924	-	0%	<b>F</b>



## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 18. Fair Value Measurement

The Council measures the following asset and liability classes at fair value on a recurring basis:

- Infrastructure, property, plant and equipment
- Financial assets and liabilities

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## (1) Assets and liabilities that have been measured and recognised at fair values

2019	Notes	Date of latest valuation	Fair value measurement hierarchy			Total
			Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>Recurring fair value measurements</b>						
<b>Financial assets</b>						
Investments	6(b)					
– 'Held to maturity'		30/06/19	–	12,101	–	12,101
– 'Financial assets at fair value through other comprehensive income'		30/06/19	–	56	–	56
Receivables		30/06/19	–	671	–	671
<b>Total financial assets</b>			<b>–</b>	<b>12,828</b>	<b>–</b>	<b>12,828</b>
<b>Financial liabilities</b>						
Payables	10	30/06/19	–	4,583	–	4,583
Loans/advances		30/06/19	–	3,324	–	3,324
<b>Total financial liabilities</b>			<b>–</b>	<b>7,907</b>	<b>–</b>	<b>7,907</b>
<b>Infrastructure, property, plant and equipment</b>						
Plant and equipment	9(a)	30/06/15	–	–	6,455	6,455
Office equipment		30/06/15	–	–	242	242
Furniture and fittings		30/06/15	–	–	12	12
Operational land		30/06/17	–	1,223	–	1,223
Community land		30/06/17	–	–	1,911	1,911
Land improvements		30/06/17	–	–	694	694
Buildings – non specialised		30/06/17	–	12,365	–	12,365
Buildings – specialised		30/06/17	–	–	944	944
Roads		30/06/16	–	–	127,254	127,254
Bridges		30/06/16	–	–	7,184	7,184
Footpaths		30/06/16	–	–	1,415	1,415
Stormwater drainage		30/06/16	–	–	1,341	1,341
Water supply network		30/06/17	–	–	37,352	37,352
Sewerage network		30/06/17	–	–	3,714	3,714
Swimming pools		30/06/17	–	–	2,355	2,355
Open space/recreational assets		30/06/18	–	–	1,319	1,319
Library books		30/06/11	–	–	48	48

continued on next page ...

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 18. Fair Value Measurement (continued)

		Fair value measurement hierarchy				
2019	Notes	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Other assets		30/06/17	–	–	932	932
Work in Progress		30/06/19	–	–	12,102	12,102
Levee Banks		30/06/16	–	–	1,675	1,675
Other Structures General		30/06/18	–	–	15	15
<b>Total infrastructure, property, plant and equipment</b>			<b>–</b>	<b>13,588</b>	<b>206,964</b>	<b>220,552</b>

		Fair value measurement hierarchy				
2018	Notes	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
<b>Recurring fair value measurements</b>						
<b>Financial assets</b>						
Investments	6(b)					
– ‘Held to maturity’		30/06/18	–	8,721	–	8,721
Receivables		30/06/18	–	1,203	–	1,203
<b>Total financial assets</b>			<b>–</b>	<b>9,924</b>	<b>–</b>	<b>9,924</b>
<b>Financial liabilities</b>						
	10					
Payables		30/06/17	–	2,004	–	2,004
Loans/advances			–	1,400	–	1,400
<b>Total financial liabilities</b>			<b>–</b>	<b>3,404</b>	<b>–</b>	<b>3,404</b>
<b>Infrastructure, property, plant and equipment</b>						
	9(a)					
Plant and equipment		30/06/15	–	–	6,290	6,290
Office equipment		30/06/15	–	–	177	177
Furniture and fittings		30/06/15	–	–	11	11
Operational land		30/06/17	–	1,199	–	1,199
Community land		30/06/17	–	–	1,911	1,911
Land improvements		30/06/17	–	–	602	602
Buildings – non specialised		30/06/17	–	12,301	–	12,301
Buildings – specialised		30/06/17	–	–	678	678
Roads		30/06/16	–	–	128,442	128,442
Bridges		30/06/16	–	–	7,310	7,310
Footpaths		30/06/16	–	–	1,441	1,441
Stormwater drainage		30/06/16	–	–	1,365	1,365
Water supply network		30/06/17	–	–	37,812	37,812
Sewerage network		30/06/17	–	–	3,805	3,805
Swimming pools		30/06/17	–	–	2,408	2,408
Open space/recreational assets		30/06/18	–	–	1,001	1,001
Library books		30/06/11	–	–	45	45
Other assets		30/06/17	–	–	948	948
Work in Progress		30/06/18	–	–	1,613	1,613
Levee Banks		30/06/16	–	–	1,715	1,715
Other Structures General		30/06/18	–	–	15	15
<b>Total infrastructure, property, plant and equipment</b>			<b>–</b>	<b>13,500</b>	<b>197,589</b>	<b>211,089</b>

Note that capital WIP is not included above since it is carried at cost.

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 18. Fair Value Measurement (continued)

#### (2) Valuation techniques used to derive level 2 and level 3 fair values

The objective of using a valuation technique is to estimate the price at which an orderly transaction to sell or to transfer the liability would take place between market participants at the measurement date under current market conditions. Three widely used valuation techniques are the market approach, the cost approach and the income approach. Carrathool Shire Council use valuation techniques consistent with one or more of those approaches to measure fair value.

'Cost Approach' – A valuation technique that reflects the amount that would be required to replace the service capacity of an asset (current replacement cost) or depreciated replacement cost in the example of plant and equipment, office equipment and furniture and fittings.

Income Approach – A valuation technique that converts future amounts (cash flows inflows/outflows) to signal current (ie discounted) amount. The fair value measurement is determined on the basis if the value indicated by current market expectations about these future amounts.

Market Approach – A valuation technique that uses prices and other relevant information, generated by the market transactions involving identical or comparable (similar) assets, liabilities or a group of assets and liabilities such as a business.

All of Council's non-financial assets are considered to being utilised for their highest and best use.

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

#### Financial assets

Investments "Held to Maturity": Valuation Technique: Bank confirmations Unobservable inputs: Interest rates  
Receivables: Valuation Technique: Rates & Debtors finance modules Unobservable inputs: Bad debts

#### Financial liabilities

Payables: Valuation Technique: Creditors finance module Unobservable inputs: Market impacts  
Loans/Advances: Valuation Technique: Bank confirmations Unobservable inputs: Interest rates

#### Infrastructure, property, plant and equipment (IPP&E)

Plant, equipment, furniture & fittings and office equipment: Valuation Technique: Cost used to approximate fair value  
Unobservable inputs: Gross replacement cost, useful life and residual value.

Operational Land: Valuation Technique: Independent valuation company Unobservable inputs: Land value & area

Community Land: Valuation Technique: Independent valuation company Unobservable inputs: Land value & area

Land Improvements: Valuation Technique: Independent valuation company Unobservable inputs: Asset condition & remaining lives

Buildings NS: Valuation Technique: Independent valuation company: Unobservable inputs: Asset condition & remaining lives

Buildings S: Valuation Technique: Independent valuation company: Unobservable inputs: Asset condition & remaining lives

Roads, Bridges & Footpaths: Valuation Technique: Independent valuation company, unit rates & lengths: Unobservable inputs: Asset condition & remaining lives.

Stormwater Drainage: Valuation Technique: Independent valuation company, unit rates & lengths: Unobservable inputs: Asset condition & remaining lives.

Water Supply Network: Valuation Technique: Independent valuation company, unit rates & lengths: Unobservable inputs: Asset condition & remaining lives.

Sewerage Network: Valuation Technique: Independent valuation company, unit rates & lengths: Unobservable inputs: Asset condition & remaining lives.

Swimming Pools: Valuation Technique: Independent valuation company: Unobservable inputs: Asset condition & remaining lives

Open space/recreational assets: Cost used to approximate fair value: Unobservable inputs: Asset condition & remaining lives

Library Books: Cost used to approximate fair value: Unobservable inputs: Asset condition & remaining lives

Other Assets: Cost used to approximate fair value: Unobservable inputs: Asset condition & remaining lives

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 18. Fair Value Measurement (continued)

## (3) Fair value measurements using significant unobservable inputs (level 3)

a. The following tables present the changes in level 3 fair value asset classes.

\$ '000	I,PP and E
<b>2018</b>	
<b>Opening balance</b>	197,832
Purchases (GBV)	9,913
Disposals (WDV)	(1,280)
Depreciation and impairment	(7,179)
Revaluation Increments to Equity	904
Revaluation Decrements to Equity	(2,601)
<b>Closing balance</b>	<b>197,589</b>
<b>2019</b>	
<b>Opening balance</b>	197,589
Purchases (GBV)	17,925
Disposals (WDV)	(1,085)
Depreciation and impairment	(7,465)
<b>Closing balance</b>	<b>206,964</b>
YE 17/18	197,589
YE 18/19	206,964

## (4) Highest and best use

All of Council's non-financial assets are considered as being utilised for their highest and best use.

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 19. Related Party Transactions

#### (a) Key management personnel

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly. Council has three key management personnel.

The aggregate amount of KMP compensation included in the Income Statement is:

\$ '000	2019	2018
<b>Compensation:</b>		
Short-term benefits	791	802
Termination benefits	168	–
<b>Total</b>	<b>959</b>	<b>802</b>

#### (b) Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

Nature of the transaction	Ref	Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for impairment of receivables outstanding	Expense recognised for impairment of receivables
\$ '000						
<b>2019</b>						
Employee Expenses relating to close family members of KMP	1	116	–	Council Staff Award	–	–
Debtor – Driveway Gravel, Grade and roll	2	6	–	30 day terms on invoices	–	–
Debtor – Grade and Roll gravel stockpile	2	–	–	30 day terms on invoices	–	–
Staff Reimbursement of Expenses	2	2	–	30 day terms on invoices	–	–
Upgrade of Carrathool Race Track	5	33	–	30 day terms on invoices	–	–
Debtor – Sale of rubble and soil	2	–	–	30 day terms on invoices	–	–
Community Grant	3	2	–	30 day terms on invoices	–	–
Roadside Cleanup	4	–	–	30 day terms on invoices	–	–
<b>2018</b>						
Employee Expenses relating to close family members of KMP	1	173	–		–	–
Debtor – Driveway Gravel, Grade and roll	2	10	–		–	–

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## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 19. Related Party Transactions (continued)

Nature of the transaction		Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for impairment of receivables outstanding	Expense recognised for impairment of receivables
\$ '000	Ref					
Debtor – Grade and Roll gravel stockpile	2	1	–		–	–
Debtor – Sale of rubble and soil	2	3	–		–	–
Community Grant	3	2	–		–	–
Roadside Cleanup	4	2	–		–	–

1 Close family members of Council's KMP are employed by the Council under the relevant pay award on an arm's length basis. There are four close family members of KMP currently employed by the Council.

2 Council through its private works process provide debtor account for a variety of private works performed by Council staff for a number of KMP

3 Council has an annual community grant process which is advertised and has certain guidelines. The grants are restricted to a maximum of \$1,500 and the final decision on the receipt of the grants are made by the full Council. The Hillston Billylids was a recipient of one of these grants.

4 Council perform a number of roadside clean ups on regional roads throughout the Shire these are offered to the various service clubs "Hillston Lions Club" performed one of these clean ups

5 Council through its normal procurement process obtained quotes for a grant project under the drought funding to complete an update to the Carrathool Race Track. A firm related to one of the KMP won the quote for the project.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 20. Statement of developer contributions

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas.

It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

## Summary of contributions and levies

	as at 30/6/2018			Interest earned in year	Expenditure during year	Internal borrowing (to)/from	as at 30/6/2019	
	Opening Balance	Contributions received during the year					Held as restricted asset	Cumulative internal borrowings due/(payable)
\$ '000		Cash	Non-cash					
Community facilities	186	126	–	–	–	–	312	–
<b>S7.11 contributions – under a plan</b>	<b>186</b>	<b>126</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>312</b>	<b>–</b>
<b>Total S7.11 and S7.12 revenue under plans</b>	<b>186</b>	<b>126</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>312</b>	<b>–</b>
<b>Total contributions</b>	<b>186</b>	<b>126</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>312</b>	<b>–</b>
<b>S7.11 Contributions – under a plan</b>								
<b>CONTRIBUTION PLAN NUMBER 1</b>								
Community facilities	5	–	–	–	–	–	5	–
<b>Total</b>	<b>5</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5</b>	<b>–</b>
<b>CONTRIBUTION PLAN NUMBER 2</b>								
Community facilities	181	126	–	–	–	–	307	–
<b>Total</b>	<b>181</b>	<b>126</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>307</b>	<b>–</b>

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 21. Financial result and financial position by fund

\$ '000	General <sup>1</sup> 2019	Water 2019	Sewer 2019
<b>Income Statement by fund</b>			
<b>Income from continuing operations</b>			
Rates and annual charges	3,746	895	417
User charges and fees	3,297	1,419	–
Interest and investment revenue	432	17	4
Other revenues	260	5	15
Grants and contributions provided for operating purposes	11,477	8	5
Grants and contributions provided for capital purposes	8,001	–	–
<b>Other income</b>			
Net gains from disposal of assets	31	–	–
<b>Total income from continuing operations</b>	<b>27,244</b>	<b>2,344</b>	<b>441</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	7,076	341	56
Borrowing costs	13	67	28
Materials and contracts	5,780	852	76
Depreciation and amortisation	6,680	950	125
Other expenses	1,644	164	20
<b>Total expenses from continuing operations</b>	<b>21,193</b>	<b>2,374</b>	<b>305</b>
<b>Operating result from continuing operations</b>	<b>6,051</b>	<b>(30)</b>	<b>136</b>
<b>Net operating result for the year</b>	<b>6,051</b>	<b>(30)</b>	<b>136</b>
<b>Net operating result attributable to each council fund</b>	<b>6,051</b>	<b>(30)</b>	<b>136</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>(1,950)</b>	<b>(30)</b>	<b>136</b>

NB. All amounts disclosed above are gross – that is, they include internal charges and recoveries made between the funds.

(1) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.



## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 21. Financial result and financial position by fund (continued)

\$ '000	General <sup>1</sup> 2019	Water 2019	Sewer 2019
<b>Statement of Financial Position by fund</b>			
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4,620	2,767	461
Investments	12,101	–	–
Receivables	393	225	53
Inventories	2,158	–	–
<b>Total current assets</b>	<b>19,272</b>	<b>2,992</b>	<b>514</b>
<b>Non-current assets</b>			
Investments	56	–	–
Receivables	322	248	25
Infrastructure, property, plant and equipment	179,424	37,363	3,765
<b>Total non-current assets</b>	<b>179,802</b>	<b>37,611</b>	<b>3,790</b>
<b>TOTAL ASSETS</b>	<b>199,074</b>	<b>40,603</b>	<b>4,304</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	4,859	–	–
Borrowings	215	92	24
Provisions	2,309	–	–
<b>Total current liabilities</b>	<b>7,383</b>	<b>92</b>	<b>24</b>
<b>Non-current liabilities</b>			
Borrowings	863	1,601	529
Provisions	2,209	–	–
<b>Total non-current liabilities</b>	<b>3,072</b>	<b>1,601</b>	<b>529</b>
<b>TOTAL LIABILITIES</b>	<b>10,455</b>	<b>1,693</b>	<b>553</b>
<b>Net assets</b>	<b>188,619</b>	<b>38,910</b>	<b>3,751</b>
<b>EQUITY</b>			
Accumulated surplus	135,133	7,941	2,498
Revaluation reserves	53,430	30,969	1,253
Other reserves	56	–	–
<b>Council equity interest</b>	<b>188,619</b>	<b>38,910</b>	<b>3,751</b>
<b>Total equity</b>	<b>188,619</b>	<b>38,910</b>	<b>3,751</b>

NB. All amounts disclosed above are gross – that is, they include internal charges and recoveries made between the funds. Assets and liabilities shown in the water and sewer columns are restricted for use for these activities.

(1) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 22(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2019	Indicator 2019	Prior periods		Benchmark
			2018	2017	
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>(1,875)</b>				
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>21,997</b>	<b>(8.52)%</b>	6.97%	19.29%	>0.00%
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>10,472</b>				
Total continuing operating revenue <sup>1</sup>	<b>29,998</b>	<b>34.91%</b>	44.34%	40.74%	>60.00%
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	<b>17,923</b>				
Current liabilities less specific purpose liabilities	<b>5,425</b>	<b>3.30x</b>	6.64x	6.83x	>1.50x
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>5,988</b>				
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>494</b>	<b>12.12x</b>	23.69x	30.90x	>2.00x
<b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>					
Rates, annual and extra charges outstanding	<b>441</b>				
Rates, annual and extra charges collectible	<b>5,260</b>	<b>8.38%</b>	3.72%	6.14%	<10.00%
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<b>19,949</b>				
Monthly payments from cash flow of operating and financing activities	<b>1,561</b>	<b>12.78 mths</b>	12.79 mths	16.96 mths	>3.00 mths

(1) Excludes fair value adjustments, reversal of revaluation decrements, net gain on sale of assets, and net loss of interests in joint ventures and associates.

(2) Excludes impairment/revaluation decrements, net loss on sale of assets, and net loss on share of interests in joint ventures and associates

## Notes to the Financial Statements

for the year ended 30 June 2019

## Note 22(b). Statement of performance measures – by fund

\$ '000	General Indicators <sup>3</sup>		Water Indicators		Sewer Indicators		Benchmark
	2019	2018	2019	2018	2019	2018	
<b>1. Operating performance ratio</b>							
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>(10.31)%</b>	7.77%	<b>(1.28)%</b>	(2.48)%	<b>30.84%</b>	16.88%	>0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>							
<b>2. Own source operating revenue ratio</b>							
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>28.34%</b>	38.69%	<b>99.32%</b>	86.59%	<b>97.73%</b>	98.70%	>60.00%
Total continuing operating revenue <sup>1</sup>							
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions	<b>3.30x</b>	6.64x	<b>32.52x</b>	34.77x	<b>21.42x</b>	12.68x	>1.50x
Current liabilities less specific purpose liabilities							
<b>4. Debt service cover ratio</b>							
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>11.81x</b>	40.97x	<b>14.73x</b>	6.71x	<b>10.32x</b>	3.98x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
<b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>							
Rates, annual and extra charges outstanding	<b>6.02%</b>	0.11%	<b>17.58%</b>	12.44%	<b>8.43%</b>	13.44%	<10.00%
Rates, annual and extra charges collectible							
<b>6. Cash expense cover ratio</b>							
Current year's cash and cash equivalents plus all term deposits	<b>12.58</b>	13.11	<b>13.53</b>	11.44	<b>16.87</b>	9.31	>3.00
Payments from cash flow of operating and financing activities	<b>mths</b>	mths	<b>mths</b>	mths	<b>mths</b>	mths	mths

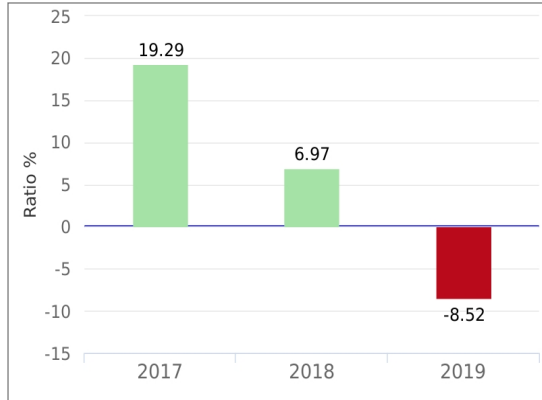
(1) - (2) Refer to Notes at Note 22(a) above.

(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

Notes to the Financial Statements  
for the year ended 30 June 2019

Note 22(c). Statement of performance measures – consolidated results (graphs)

1. Operating performance ratio



**Purpose of operating performance ratio**

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

**Commentary on 2018/19 result**

**2018/19 ratio (8.52)%**

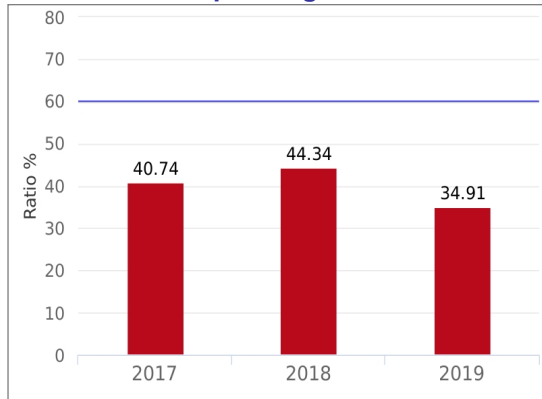
Council has been delayed in receiving some operational income and some income areas received less income than anticipated. Some operational expenditure was exceeded due to larger than predicated costs. These increase costs included fuel, other consumables and gravel costs.

Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark (Green bar)  
Ratio is outside benchmark (Red bar)

2. Own source operating revenue ratio



**Purpose of own source operating revenue ratio**

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

**Commentary on 2018/19 result**

**2018/19 ratio 34.91%**

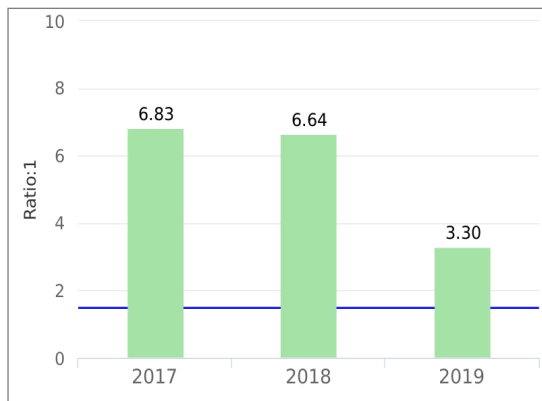
Due to Council's remoteness and reliance on grant funding for Council's large road network, it will continue to be difficult to meet this ratio target of 60%. The ratio has decreased this year due to the high level of grants received this year, especially for Capital projects.

Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark (Green bar)  
Ratio is outside benchmark (Red bar)

3. Unrestricted current ratio



**Purpose of unrestricted current ratio**

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

**Commentary on 2018/19 result**

**2018/19 ratio 3.30x**

This ratio has been impacted by the increase of payables directly related to the Carrathool Bridge payments that were due of \$3 million.

Benchmark: — > 1.50x

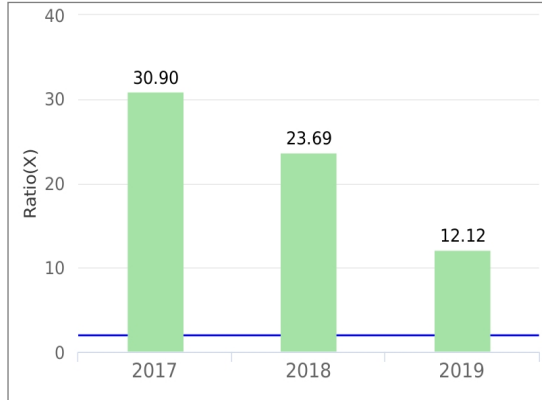
Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark (Green bar)  
Ratio is outside benchmark (Red bar)

Notes to the Financial Statements  
for the year ended 30 June 2019

Note 22(c). Statement of performance measures – consolidated results (graphs)

4. Debt service cover ratio



Purpose of debt service cover ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

Commentary on 2018/19 result

2018/19 ratio 12.12x

This ratio has been impacted by Council moving its Water Loans from internal loans to an external loan with TCorp of \$2.31 million.

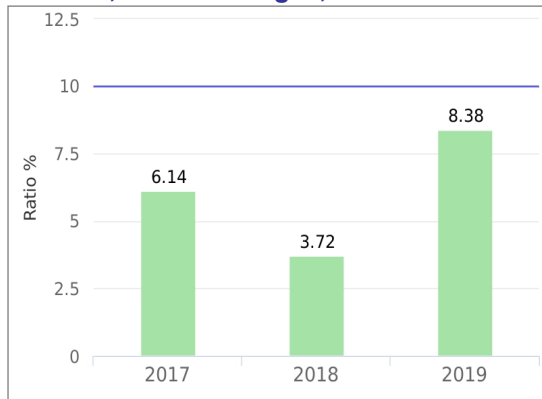
Benchmark: — > 2.00x

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio is outside benchmark

5. Rates, annual charges, interest and extra charges outstanding percentage



Purpose of rates, annual charges, interest and extra charges outstanding

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2018/19 result

2018/19 ratio 8.38%

This ratio has been impacted by the economic conditions created by the drought. Council has increased its debt collection activity with numerous rate payers on debt repayment arrangements.

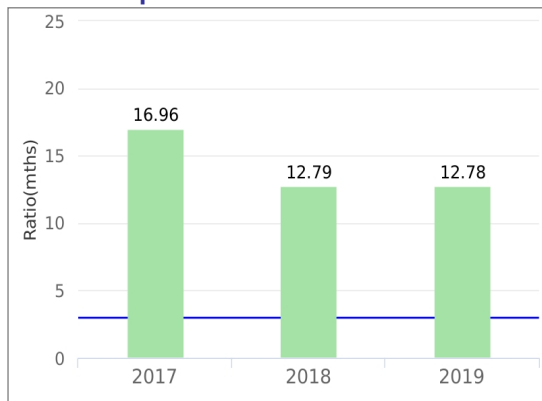
Benchmark: — < 10.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

Commentary on 2018/19 result

2018/19 ratio 12.78 mths

The ratio is consistent with last year.

Benchmark: — > 3.00mths

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio is outside benchmark

## Notes to the Financial Statements

for the year ended 30 June 2019

### Note 23. Council information and contact details

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**Principal place of business:**

9 - 11 Cobram Street  
GOOLGOWI NSW 2652

**Contact details**

**Mailing Address:**

**PO Box 12**  
GOOLGOWI NSW 2652

**Telephone:** 02 6965 1900

**Facsimile:** 02 6965 1379

**Opening hours:**

8:30am - 4:30pm  
Monday to Friday

**Internet:** [www.carrathool.nsw.gov.au](http://www.carrathool.nsw.gov.au)

**Email:** [council@carrathool.nsw.gov.au](mailto:council@carrathool.nsw.gov.au)

**Officers**

**General Manager**

Rick Warren

**Responsible Accounting Officer**

Robert Rayner

**Public Officer**

Robert Rayner

**Auditors**

NSW Audit Office

**Elected members**

**Mayor**

Cr. Darryl Jardine

**Councillors**

Dave Fenson

Bev Furner

Russell Campbell

Geoff Peters

Bill Kite

Scott Groat

Mick Armstrong

Brett Lewis

**Other information**

**ABN:** 86 008 844 676



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Carrathool Shire Council

To the Councillors of the Carrathool Shire Council

### Opinion

I have audited the accompanying financial statements of Carrathool Shire Council (the Council), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the 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, and the Statement by Councillors and Management.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
  - have been presented, in all material respects, in accordance with the requirements of this Division
  - are consistent with the Council's accounting records
  - present fairly, in all material respects, the financial position of the Council as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

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

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

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

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

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

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

## **Other Information**

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the special purpose financial statements and Special Schedule - Permissible income for general rates.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## **The Councillors' Responsibilities for the Financial Statements**

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved or amalgamated by an Act of Parliament, or otherwise cease operations.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.



A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 17 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Cathy Wu

Delegate of the Auditor-General for New South Wales

25 October 2019  
SYDNEY



Cr Darryl Jardine  
 Mayor  
 Carrathool Shire Council  
 9-11 Cobram Street  
 GOOLGOWI NSW 2652

Contact: Cathy Wu  
 Phone no: 02 9275 7212  
 Our ref: D1923533/1709

25 October 2019

Dear Mayor

**Report on the Conduct of the Audit  
 for the year ended 30 June 2019  
 Carrathool Shire Council**





I have audited the general purpose financial statements (GPFS) of the Carrathool Shire Council (the Council) for the year ended 30 June 2019 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2019 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

**INCOME STATEMENT**

**Operating result**

	<b>2019</b>	<b>2018</b>	<b>Variance</b>
	<b>\$m</b>	<b>\$m</b>	<b>%</b>
Rates and annual charges revenue	5.1	4.9	 4.1
Grants and contributions revenue	19.5	13.8	 41.3
Operating result for the year	6.2	3.5	 77.1
Net operating result before capital grants and contributions	(1.8)	1.7	 206

Council's operating result of \$6.2 million (including the effect of depreciation and amortisation expense of \$7.8 million) was \$2.7 million higher than the 2017–18 result. The movement was primarily due to:

- increase in grants and contributions revenue of \$5.7 million
- decrease in user charges and fees revenue of \$0.7 million
- offset by increase in total expenses of \$2.3 million.

The net operating result before capital grants and contributions (deficit of \$1.8 million) was \$3.5 million lower than the 2017–18 result. This was a result of Council receiving \$6.2 million more in capital grants and contributions than the prior year.

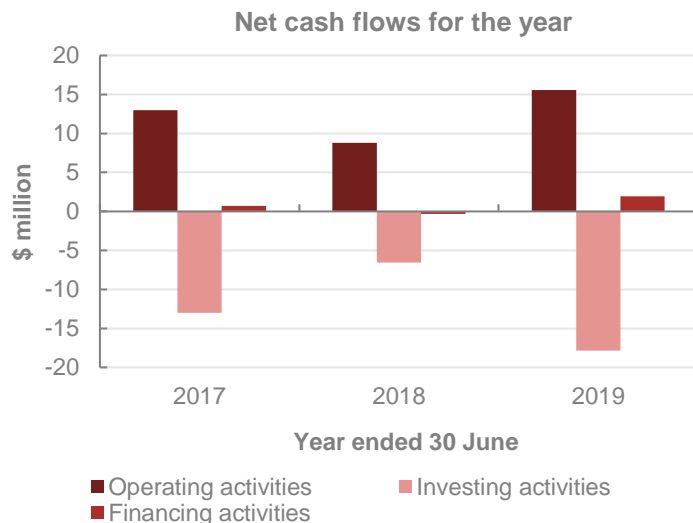
Rates and annual charges revenue (\$5.1 million) increased by \$0.2 million (4.1 per cent) in 2018–2019. This reflects the rate peg increase of 2.3 per cent, together with growth in the number of residents and rateable properties in 2018–19.

Grants and contributions revenue (\$19.5 million) increased by \$5.7 million (41.3 per cent) in 2018–2019 due to:

- two new grants totalling \$6.3 million relating to Carrathool Bridge construction
- offset by decrease of \$0.7 million in grants and contributions provided for local roads – flood damage.

## STATEMENT OF CASH FLOWS

- Council reported a net decrease in cash and cash equivalents from \$8.2 million at 30 June 2018 to \$7.8 million at 30 June 2019.
- Cash inflows from operating activities increased from 2017–18 as a result of higher receipts from grants and contributions.
- Cash outflows from investing activities increased mainly due to greater purchases of infrastructure, property, plant and equipment.
- Cash inflows from financing activities increased as a result of receipts from borrowings in advance.



## FINANCIAL POSITION

### Cash and investments

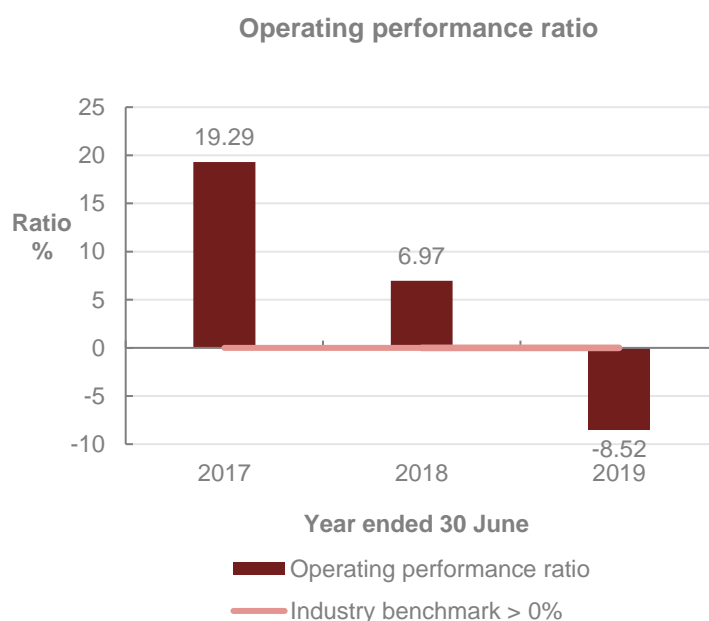
Cash and investments	2019	2018	Commentary
	\$m	\$m	
External restrictions	4.4	2.8	• External restrictions primarily include funds for water supply and sewerage services, specific purpose unexpended grants, and developer contributions.
Internal restrictions	12.6	10.3	
Unrestricted	2.9	3.8	
<b>Cash and investments</b>	<b>19.9</b>	<b>16.9</b>	<ul style="list-style-type: none"> <li>• Internal restrictions are due to Council policy or decisions for forward plans including the works program. The increase in 2018–19 primarily related to local roads.</li> <li>• Unrestricted balances provide liquidity for day-to-day operations and have decreased from the prior year due to the lower level of cash held at 30 June 2019.</li> </ul>

## PERFORMANCE

### Operating performance ratio

- Council's operating performance ratio did not meet the industry benchmark this year.
- The decreased ratio was consistent with the deficit in net operating result before capital grants and contributions in 2018–19 as noted above.

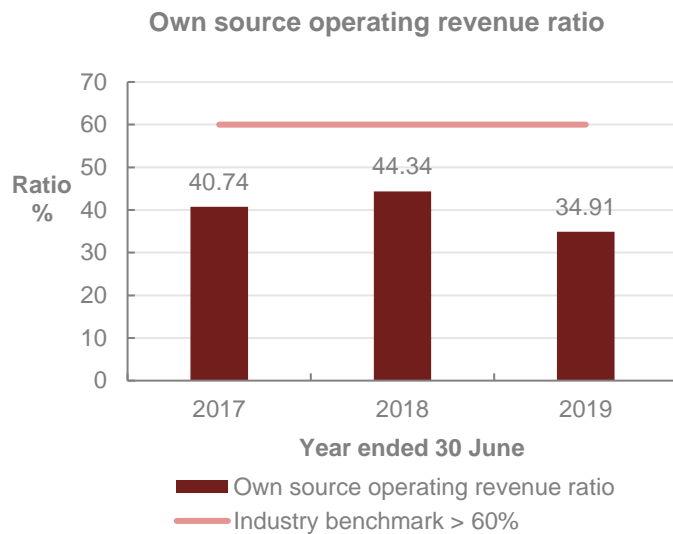
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the former Office of Local Government (OLG) is greater than zero per cent.



## Own source operating revenue ratio

- Council has not met the industry benchmark for this ratio in the past three years.
- The ratio has decreased this year due to increased government grants received.
- This ratio reflects that Council has a greater reliance on grant funding, in particular for its large road network.

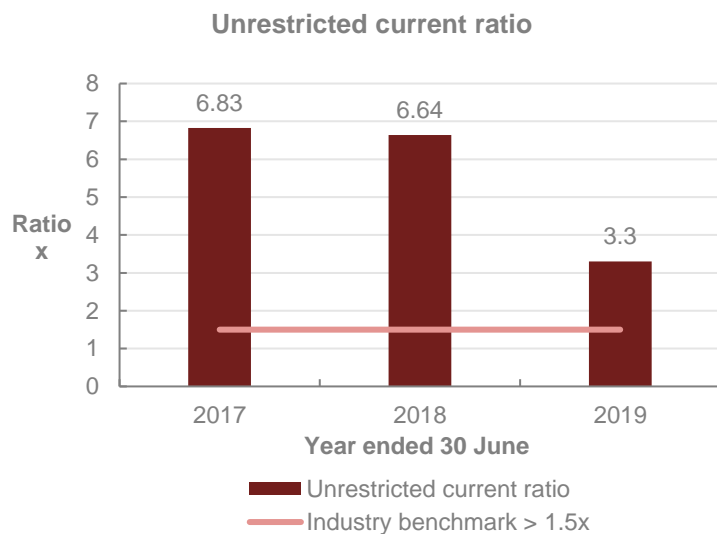
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by the former OLG is greater than 60 per cent.



## Unrestricted current ratio

- Council's unrestricted current ratio exceeded the industry benchmark for the past three years.
- This ratio indicates that Council currently has \$3.30 of unrestricted current assets available to service every \$1.00 of its unrestricted current liabilities.

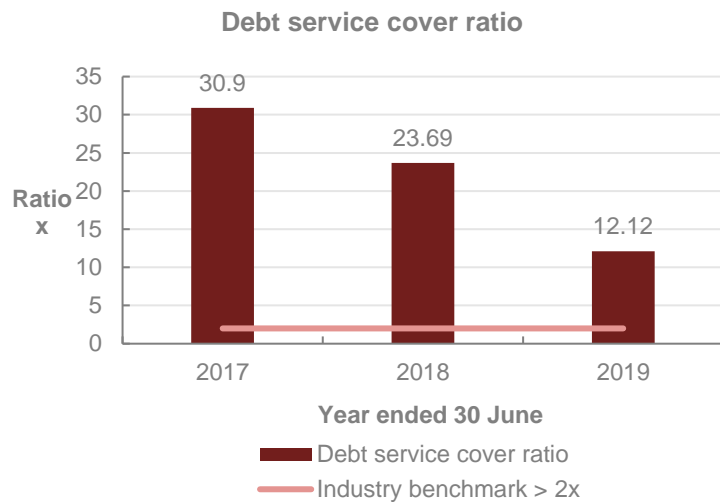
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by the former OLG is greater than 1.5 times.



## Debt service cover ratio

- Council's debt service cover ratio exceeded the industry benchmark for the past three years.
- Council appears to be effectively monitoring its liquidity levels to ensure it can meet its borrowing costs when they fall due.

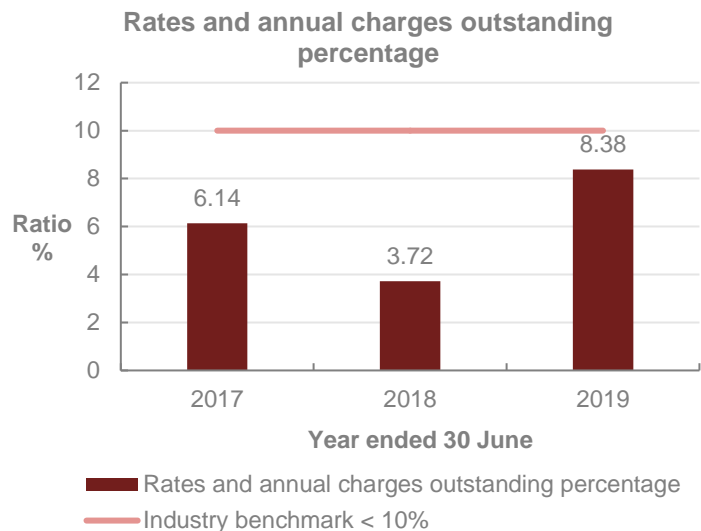
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by the former OLG is greater than two times.



## Rates and annual charges outstanding percentage

- Council has met the rural council benchmark for this ratio over the past three years.
- The collection procedures of the Council have operated effectively to collect rates and annual charges revenue within the receivable dates.

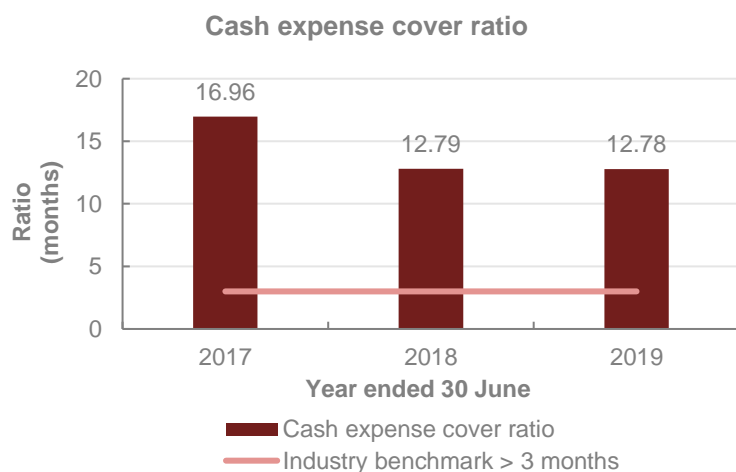
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by the former OLG is less than 10 per cent for regional and rural Councils.



## Cash expense cover ratio

- Council's cash expense cover ratio exceeded the industry benchmark for the past three years.
- This indicates that Council had the capacity to cover 12.8 months of cash expenditure without additional cash inflows at 30 June 2019.

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by the former OLG is greater than three months.



## Infrastructure, property, plant and equipment renewals

Council spent \$6.3 million on asset renewals in 2018–19 compared to \$8.4 million in 2017–18. Asset renewals are defined as the replacement of existing assets as opposed to the acquisition of new assets.

A short-term benchmark of Council's strategic asset management is to assess the rate at which Council's assets are being renewed against the rate at which they are depreciating. In 2018–19, asset renewals of \$6.3 million represented 81 per cent of Council's \$7.8 million depreciation expense. This result was lower than the 2017–18 result of 112 per cent.

Asset renewals in 2018–19 were carried out in accordance with Council's capital works program and primarily related to plant and equipment and road assets.

## OTHER MATTERS

### New accounting standards implemented

Application period	Overview
<b>AASB 9 'Financial Instruments' and revised AASB 7 'Financial Instruments: Disclosures'</b>	
For the year ended 30 June 2019	<p>AASB 9 replaces AASB 139 'Financial Instruments: Recognition and Measurement' and changes the way financial instruments are treated for financial reporting.</p> <p>Key changes include:</p> <ul style="list-style-type: none"><li>• a simplified model for classifying and measuring financial assets</li><li>• a new method for calculating impairment</li><li>• a new type of hedge accounting that more closely aligns with risk management.</li></ul> <p>The revised AASB 7 includes new disclosures as a result of AASB 9. Council's disclosure of the impact of adopting AASB 9 is disclosed in Note 12(b).</p>

### Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Council's accounting records or financial statements. The Council's:

- accounting records were maintained in a manner and form to allow the GPFS to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.



Cathy Wu

Delegate of the Auditor-General for New South Wales

cc: Mr Rick Warren, General Manager  
Mr David Maxwell, Chair of the Audit Committee  
Jim Betts, Secretary of the Department of Planning, Industry and Environment

# Carrathool Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2019

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## Special Purpose Financial Statements

for the year ended 30 June 2019

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**Background**

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).

- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

**Carrathool Shire Council**  
**Special Purpose Financial Statements**  
for the year ended 30 June 2019

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**Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting**

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


- the NSW Government Policy Statement '*Application of National Competition Policy to Local Government*',
- the Division of Local Government Guidelines '*Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*',
- the Local Government Code of Accounting Practice and Financial Reporting,
- the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines.

**To the best of our knowledge and belief, these statements:**

- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records.
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

**We are not aware of any matter that would render these statements false or misleading in any way.**

**Signed in accordance with a resolution of Council made on 17 September 2019.**



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Cr. Darryl Jardine  
**Mayor**  
17 September 2019



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Rick Warren  
**General Manager**  
17 September 2019



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Cr. Scott Groat  
**Councillor**  
17 September 2019



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Robert Rayner  
**Responsible Accounting Officer**  
17 September 2019

## Income Statement – Water Supply Business Activity

for the year ended 30 June 2019

\$ '000	2019	2018
<b>Income from continuing operations</b>		
Access charges	895	850
User charges	1,419	1,241
Interest	17	17
Grants and contributions provided for non-capital purposes	8	8
Other income	5	22
<b>Total income from continuing operations</b>	<b>2,344</b>	<b>2,138</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	341	345
Borrowing costs	67	77
Materials and contracts	852	745
Depreciation, amortisation and impairment	950	902
Water purchase charges	74	68
Other expenses	90	54
<b>Total expenses from continuing operations</b>	<b>2,374</b>	<b>2,191</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(30)</b>	<b>(53)</b>
Grants and contributions provided for capital purposes	–	322
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(30)</b>	<b>269</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>(30)</b>	<b>269</b>
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>(30)</b>	<b>269</b>
<b>Plus accumulated surplus</b>	<b>7,971</b>	<b>7,702</b>
<b>Closing accumulated surplus</b>	<b>7,941</b>	<b>7,971</b>
<b>Return on capital %</b>	<b>0.1%</b>	<b>0.1%</b>
<b>Subsidy from Council</b>	<b>456</b>	<b>972</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	(30)	269
Less: capital grants and contributions (excluding developer contributions)	–	(322)
<b>Surplus for dividend calculation purposes</b>	<b>–</b>	<b>–</b>
<b>Potential dividend calculated from surplus</b>	<b>–</b>	<b>–</b>

## Income Statement – Sewerage Business Activity

for the year ended 30 June 2019

\$ '000	2019	2018
<b>Income from continuing operations</b>		
Access charges	417	377
Interest	4	3
Grants and contributions provided for non-capital purposes	5	5
Other income	15	–
<b>Total income from continuing operations</b>	<b>441</b>	<b>385</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	56	56
Borrowing costs	28	30
Materials and contracts	76	119
Depreciation, amortisation and impairment	125	112
Other expenses	20	3
<b>Total expenses from continuing operations</b>	<b>305</b>	<b>320</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>136</b>	<b>65</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>136</b>	<b>65</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>136</b>	<b>65</b>
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(37)	(18)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>99</b>	<b>47</b>
<b>Plus accumulated surplus</b>	<b>2,362</b>	<b>2,297</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	37	18
<b>Closing accumulated surplus</b>	<b>2,498</b>	<b>2,362</b>
<b>Return on capital %</b>	<b>4.4%</b>	<b>2.5%</b>
<b>Subsidy from Council</b>	<b>–</b>	<b>7</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	99	47
<b>Surplus for dividend calculation purposes</b>	<b>99</b>	<b>47</b>
<b>Potential dividend calculated from surplus</b>	<b>49</b>	<b>24</b>

## Statement of Financial Position – Water Supply Business Activity

as at 30 June 2019

\$ '000	2019	2018
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,767	2,105
Receivables	225	468
<b>Total current assets</b>	<b>2,992</b>	<b>2,573</b>
<b>Non-current assets</b>		
Receivables	248	26
Infrastructure, property, plant and equipment	37,363	37,857
<b>Total non-current assets</b>	<b>37,611</b>	<b>37,883</b>
<b>TOTAL ASSETS</b>	<b>40,603</b>	<b>40,456</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	–	10
Borrowings	92	64
<b>Total current liabilities</b>	<b>92</b>	<b>74</b>
<b>Non-current liabilities</b>		
Borrowings	1,601	1,443
<b>Total non-current liabilities</b>	<b>1,601</b>	<b>1,443</b>
<b>TOTAL LIABILITIES</b>	<b>1,693</b>	<b>1,517</b>
<b>NET ASSETS</b>	<b>38,910</b>	<b>38,939</b>
<b>EQUITY</b>		
Accumulated surplus	7,941	7,971
Revaluation reserves	30,969	30,968
<b>TOTAL EQUITY</b>	<b>38,910</b>	<b>38,939</b>

## Statement of Financial Position – Sewerage Business Activity

as at 30 June 2019

\$ '000	2019	2018
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	461	266
Receivables	53	51
<b>Total current assets</b>	<b>514</b>	<b>317</b>
<b>Non-current assets</b>		
Receivables	25	16
Infrastructure, property, plant and equipment	3,765	3,861
<b>Total non-current assets</b>	<b>3,790</b>	<b>3,877</b>
<b>TOTAL ASSETS</b>	<b>4,304</b>	<b>4,194</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	–	2
Borrowings	24	23
<b>Total current liabilities</b>	<b>24</b>	<b>25</b>
<b>Non-current liabilities</b>		
Borrowings	529	554
<b>Total non-current liabilities</b>	<b>529</b>	<b>554</b>
<b>TOTAL LIABILITIES</b>	<b>553</b>	<b>579</b>
<b>NET ASSETS</b>	<b>3,751</b>	<b>3,615</b>
<b>EQUITY</b>		
Accumulated surplus	2,498	2,362
Revaluation reserves	1,253	1,253
<b>TOTAL EQUITY</b>	<b>3,751</b>	<b>3,615</b>

## Notes to the Special Purpose Financial Statements

for the year ended 30 June 2019

### Note 1. Significant Accounting Policies

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A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

These financial statements are SPFS prepared for use by Council and the Office of Local Government. For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the Local Government Act 1993 (NSW), the *Local Government (General) Regulation 2005*, and the Local Government Code of Accounting Practice and Financial Reporting.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

#### National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The *Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

#### Declared business activities

In accordance with Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality, Council has declared that the following are to be considered as business activities:

##### Category 1

(where gross operating turnover is over \$2.1 million)

Council has no Category 1 business activities

##### Category 2

(where gross operating turnover is less than \$2 million)

##### a. Carrathool Shire Council Combined Urban Water Supply

##### b. Goolgowi Rural Water Supply

##### c. Rankins Springs Rural Water Supply

##### d. Melbergen Rural Water Supply

Comprising the whole of the Carrathool Shire Council Water Supply operations and net assets.

##### e. Carrathool Shire Council Combined Urban Sewerage Services

Comprising the whole of the Carrathool Shire Council Sewerage Reticulation & Treatment operations and net assets

## Notes to the Special Purpose Financial Statements

for the year ended 30 June 2019

### Note 1. Significant Accounting Policies (continued)

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#### Monetary amounts

Amounts shown in the financial statements are in Australian dollars and rounded to the nearest one thousand dollars.

#### (i) Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

#### Notional rate applied (%)

Corporate income tax rate – 27.5%

Land tax – the first \$692,000 of combined land values attracts 0%. For the combined land values in excess of \$692,001 up to \$4,231,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$4,231,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$850,000.

In accordance with the Department of Industry (DoI) – Water guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the DoI – Water guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

Achievement of substantial compliance to the DoI – Water guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

#### Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 27.5%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations - it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in the SPFS.

The rate applied of 27.5% is the equivalent company tax rate prevalent at reporting date.

#### Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that Council business activities face 'true' commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.



## Notes to the Special Purpose Financial Statements for the year ended 30 June 2019

### Note 1. Significant Accounting Policies (continued)

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#### (ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

#### (iii) Return on investments (rate of return)

The NCP policy statement requires that councils with Category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return is calculated as follows:

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**Operating result before capital income + interest expense**

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**Written down value of I,PP&E as at 30 June**

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 1.32% at 30/6/19.

#### (iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.



**INDEPENDENT AUDITOR'S REPORT**  
**Report on the special purpose financial statements**  
**Carrathool Shire Council**

To the Councillors of the Carrathool Shire Council

## **Opinion**

I have audited the accompanying special purpose financial statements (the financial statements) of Carrathool Shire Council's (the Council) Declared Business Activities, which comprise the Income Statement of each Declared Business Activity for the year ended 30 June 2019, the Statement of Financial Position of each Declared Business Activity as at 30 June 2019, Note 1 Significant accounting policies for the Business Activities declared by Council, and the Statement by Councillors and Management.

The Declared Business Activities of the Council are:

- Water Supply Business Activity
- Sewerage Business Activity.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's Declared Business Activities as at 30 June 2019, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting – update number 27 (LG Code).

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

## **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

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

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

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

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

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

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

## **Emphasis of Matter – Basis of Accounting**

Without modifying my opinion, I draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

## **Other Information**

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and Special Schedule 'Permissible income for general rates'.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## **The Councillors' Responsibilities for the Financial Statements**

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in Note 1 to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does not provide assurance:

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

A handwritten signature in black ink, appearing to read 'Cathy Wu', written in a cursive style.

Cathy Wu

Delegate of the Auditor-General for New South Wales

25 October 2019  
SYDNEY

# Carrathool Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2019

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**Special Schedules**

for the year ended 30 June 2019

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## Permissible income for general rates for the year ended 30 June 2019

\$ '000		Calculation 2019/20	Calculation 2018/19
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	3,365	3,324
Plus or minus adjustments <sup>2</sup>	b	(14)	(31)
<b>Notional general income</b>	c = a + b	<b>3,351</b>	<b>3,293</b>
<b>Permissible income calculation</b>			
Or rate peg percentage	e	2.70%	2.30%
Or plus rate peg amount	i = e x (c + g)	90	76
<b>Sub-total</b>	k = (c + g + h + i + j)	<b>3,441</b>	<b>3,369</b>
Plus (or minus) last year's carry forward total	l	20	16
<b>Sub-total</b>	n = (l + m)	<b>20</b>	<b>16</b>
<b>Total permissible income</b>	o = k + n	<b>3,461</b>	<b>3,385</b>
Less notional general income yield	p	3,457	3,365
<b>Catch-up or (excess) result</b>	q = o - p	<b>4</b>	<b>20</b>
Less unused catch-up <sup>5</sup>	s	(4)	-
<b>Carry forward to next year <sup>6</sup></b>	t = q + r + s	<b>-</b>	<b>20</b>

### Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the Valuation of Land Act 1916.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



**INDEPENDENT AUDITOR'S REPORT**  
**Special Schedule - Permissible income for general rates**  
**Carrathool Shire Council**

To the Councillors of Carrathool Shire Council

### **Opinion**

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Carrathool Shire Council (the Council) for the year ending 30 June 2020.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting – update number 27 (LG Code), and is in accordance with the books and records of the Council.

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

### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Schedule' section of my report.

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

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

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

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

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

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

### **Emphasis of Matter – Basis of Accounting**

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.



## Other Information

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2019'.

My opinion on the Schedule does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and the special purpose financial statements.

In connection with my audit of the Schedule, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

## Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar8.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf). The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.



Cathy Wu

Delegate of the Auditor-General for New South Wales

25 October 2019  
SYDNEY

## Report on Infrastructure Assets

as at 30 June 2019

Asset Class	Asset Category	Estimated cost		2018/19 Required maintenance <sup>a</sup>	2018/19 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
<b>(a) Report on Infrastructure Assets - Values</b>												
<b>Buildings</b>	Council Offices / Administration Centres	–	–	26	15	2,887	3,906	93.0%	0.0%	0.0%	7.0%	0.0%
	Council Works Depot	–	–	10	11	423	1,814	7.0%	93.0%	0.0%	0.0%	0.0%
	Buildings – specialised	–	–	94	102	944	1,988	27.0%	71.0%	2.0%	0.0%	0.0%
	Council Public Halls	–	–	48	55	1,826	7,812	0.0%	90.0%	0.0%	5.0%	5.0%
	Libraries	–	–	12	12	2,036	2,533	100.0%	0.0%	0.0%	0.0%	0.0%
	Cultural Facilities	185	–	–	–	3	947	0.0%	0.0%	0.0%	100.0%	0.0%
	Other Buildings	–	–	18	20	1,862	4,401	60.0%	18.0%	18.0%	4.0%	0.0%
	Council Dwellings	–	–	68	66	3,328	5,846	27.0%	73.0%	0.0%	0.0%	0.0%
<b>Sub-total</b>		<b>185</b>	<b>–</b>	<b>276</b>	<b>281</b>	<b>13,309</b>	<b>29,247</b>	<b>37.8%</b>	<b>51.9%</b>	<b>2.8%</b>	<b>6.1%</b>	<b>1.4%</b>
<b>Other structures</b>	Other structures	–	–	–	–	15	15	100.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>15</b>	<b>15</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Roads</b>	Sealed roads	–	–	1,080	1,542	48,096	59,147	14.0%	40.0%	45.0%	1.0%	0.0%
	Unsealed roads	747	–	2,490	2,611	75,760	110,679	12.0%	22.0%	64.0%	2.0%	0.0%
	Bridges	–	–	20	20	7,184	12,589	5.0%	32.0%	63.0%	0.0%	0.0%
	Footpaths	–	–	26	12	1,415	1,694	88.0%	6.0%	6.0%	0.0%	0.0%
	Access Roadways and Carparks	–	–	5	5	186	313	0.0%	85.0%	15.0%	0.0%	0.0%
	Major Road Culverts	–	–	15	3	1,585	2,329	28.0%	16.0%	56.0%	0.0%	0.0%
	Kerb and Gutter	24	–	25	2	1,627	2,149	46.0%	32.0%	22.0%	0.0%	0.0%
	<b>Sub-total</b>		<b>771</b>	<b>–</b>	<b>3,661</b>	<b>4,195</b>	<b>135,853</b>	<b>188,900</b>	<b>13.4%</b>	<b>28.3%</b>	<b>56.8%</b>	<b>1.5%</b>
<b>Water supply network</b>	Bores	–	–	10	2	399	636	0.0%	40.0%	60.0%	0.0%	0.0%
	Mains	–	–	270	268	32,222	57,266	6.0%	2.0%	92.0%	0.0%	0.0%
	Reservoirs	–	–	22	14	1,495	2,687	0.0%	7.0%	93.0%	0.0%	0.0%
	Pumping Stations/s	–	–	208	195	1,427	2,145	0.0%	82.0%	18.0%	0.0%	0.0%
	Treatment	–	–	18	15	1,571	1,755	47.0%	8.0%	45.0%	0.0%	0.0%
	Telemetry	–	–	29	21	238	379	0.0%	54.0%	46.0%	0.0%	0.0%
	<b>Sub-total</b>		<b>–</b>	<b>–</b>	<b>557</b>	<b>515</b>	<b>37,352</b>	<b>64,868</b>	<b>6.6%</b>	<b>5.7%</b>	<b>87.7%</b>	<b>0.0%</b>

## Report on Infrastructure Assets - Values (continued)

as at 30 June 2019

Asset Class	Asset Category	Estimated cost		2018/19 Required maintenance <sup>a</sup>	2018/19 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
Sewerage network	Mains	–	–	28	23	2,097	4,032	0.0%	5.0%	95.0%	0.0%	0.0%
	Pumping Stations/s	–	–	48	333	776	1,470	0.0%	31.0%	69.0%	0.0%	0.0%
	Treatment	–	–	6	3	741	1,157	0.0%	1.0%	99.0%	0.0%	0.0%
	Telemetry	–	–	13	10	100	170	0.0%	54.0%	46.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>95</b>	<b>369</b>	<b>3,714</b>	<b>6,829</b>	<b>0.0%</b>	<b>11.1%</b>	<b>88.9%</b>	<b>0.0%</b>	<b>0.0%</b>
Stormwater drainage	Stormwater drainage	29	–	50	6	1,341	2,254	17.0%	52.0%	28.0%	3.0%	0.0%
	<b>Sub-total</b>	<b>29</b>	<b>–</b>	<b>50</b>	<b>6</b>	<b>1,341</b>	<b>2,254</b>	<b>17.0%</b>	<b>52.0%</b>	<b>28.0%</b>	<b>3.0%</b>	<b>0.0%</b>
Open space / recreational assets	Swimming pools	–	–	10	7	2,355	3,502	45.0%	40.0%	15.0%	0.0%	0.0%
	Recreational Infrastructure	–	–	15	2	1,319	2,702	53.0%	33.0%	14.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>25</b>	<b>9</b>	<b>3,674</b>	<b>6,204</b>	<b>48.5%</b>	<b>37.0%</b>	<b>14.6%</b>	<b>0.0%</b>	<b>(0.1%)</b>
Other infrastructure assets	Levee Banks	–	–	19	1	1,675	1,860	64.0%	36.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>19</b>	<b>1</b>	<b>1,675</b>	<b>1,860</b>	<b>64.0%</b>	<b>36.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>TOTAL - ALL ASSETS</b>		<b>985</b>	<b>–</b>	<b>4,683</b>	<b>5,376</b>	<b>196,933</b>	<b>300,177</b>	<b>15.1%</b>	<b>25.7%</b>	<b>57.5%</b>	<b>1.6%</b>	<b>0.1%</b>

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

## Infrastructure asset condition assessment 'key'

1	<b>Excellent/very good</b>	No work required (normal maintenance)
2	<b>Good</b>	Only minor maintenance work required
3	<b>Satisfactory</b>	Maintenance work required
4	<b>Poor</b>	Renewal required
5	<b>Very poor</b>	Urgent renewal/upgrading required

## Report on Infrastructure Assets (continued)

as at 30 June 2019

\$ '000	Amounts	Indicator	Prior periods		Benchmark
	2019		2019	2018	
<b>Infrastructure asset performance indicators (consolidated) *</b>					
<b>Buildings and infrastructure renewals ratio <sup>1</sup></b>					
Asset renewals <sup>2</sup>	<b>5,312</b>	<b>80.24%</b>	131.90%	79.94%	>=100.00%
Depreciation, amortisation and impairment	<b>6,620</b>				
<b>Infrastructure backlog ratio <sup>1</sup></b>					
Estimated cost to bring assets to a satisfactory standard	<b>985</b>	<b>0.50%</b>	0.60%	1.28%	<2.00%
Net carrying amount of infrastructure assets	<b>196,933</b>				
<b>Asset maintenance ratio</b>					
Actual asset maintenance	<b>5,376</b>	<b>114.80%</b>	143.92%	105.00%	>100.00%
Required asset maintenance	<b>4,683</b>				
<b>Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Gross replacement cost	<b>300,177</b>				

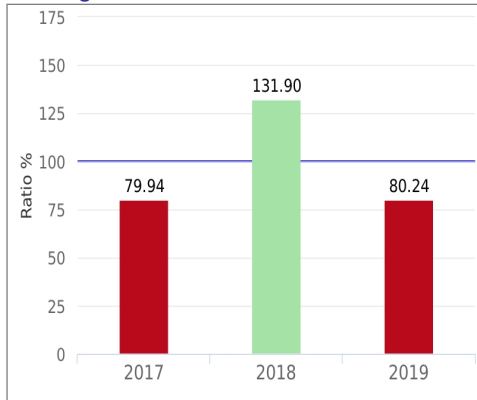
(\*) All asset performance indicators are calculated using classes identified in the previous table.

(1) Excludes Work In Progress (WIP)

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

Report on Infrastructure Assets (continued)  
as at 30 June 2019

**Buildings and infrastructure renewals ratio <sup>1</sup>**



**Infrastructure renewals ratio**

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

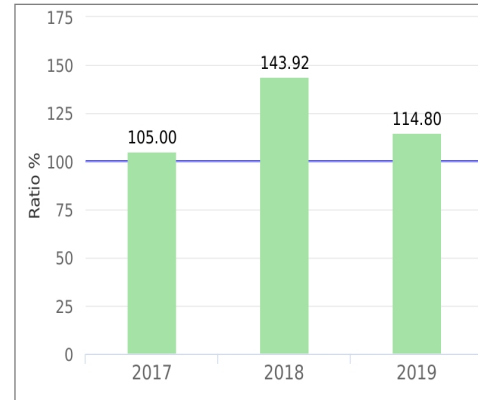
**Commentary on result**

18/19 ratio 80.24%

It does not take into consideration works in progress (WIP) even when the WIP is then capitalised. This only shows as a transfer out of WIP therefore the data for WIP is not captured in this ratio at all. It should include WIP otherwise the ratio is understated. WIP was close to a million dollars and if included would have made the ratio 95.22%, closer to the benchmark.

Benchmark: —  $\geq 100.00\%$  ■ Ratio achieves benchmark  
■ Ratio is outside benchmark  
 Source of benchmark: Code of Accounting Practice and Financial Reporting #27

**Asset maintenance ratio**



**Asset maintenance ratio**

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

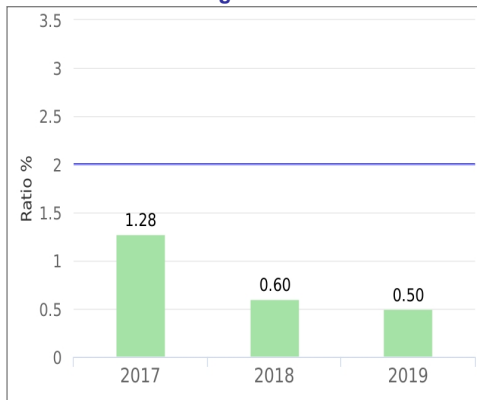
**Commentary on result**

18/19 ratio 114.80%

Council's maintenance continues to meet the benchmark

Benchmark: —  $> 100.00\%$  ■ Ratio achieves benchmark  
■ Ratio is outside benchmark  
 Source of benchmark: Code of Accounting Practice and Financial Reporting #27

**Infrastructure backlog ratio <sup>1</sup>**



**Infrastructure backlog ratio**

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

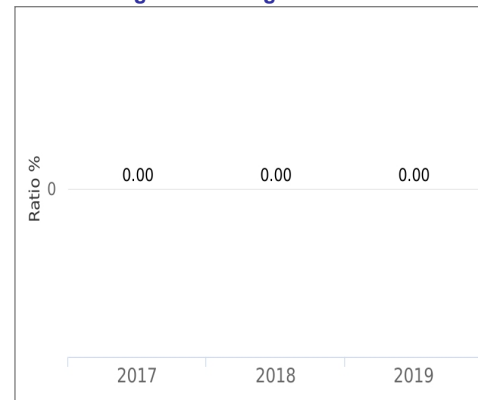
**Commentary on result**

18/19 ratio 0.50%

Council is continuing to maintain its assets

Benchmark: —  $< 2.00\%$  ■ Ratio achieves benchmark  
■ Ratio is outside benchmark  
 Source of benchmark: Code of Accounting Practice and Financial Reporting #27

**Cost to bring assets to agreed service level**



**Cost to bring assets to agreed service level**

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

**Commentary on result**

18/19 ratio 0.00%

(1) Excludes Work In Progress (WIP)

## Report on Infrastructure Assets (continued)

as at 30 June 2019

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2019	2018	2019	2018	2019	2018	
<b>Infrastructure asset performance indicators (by fund)</b>							
<b>Buildings and infrastructure renewals ratio <sup>1</sup></b>							
Asset renewals <sup>2</sup>							
Depreciation, amortisation and impairment	<b>88.61%</b>	140.76%	<b>40.11%</b>	76.05%	<b>10.08%</b>	161.32%	>=100.00%
<b>Infrastructure backlog ratio <sup>1</sup></b>							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	<b>0.63%</b>	0.76%	–	–	–	–	<2.00%
<b>Asset maintenance ratio</b>							
Actual asset maintenance							
Required asset maintenance	<b>111.44%</b>	149.91%	<b>92.46%</b>	117.81%	<b>388.42%</b>	101.25%	>100.00%
<b>Cost to bring assets to agreed service level</b>							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	–	–	–	–	–	–	

(1) Excludes Work In Progress (WIP)

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