



"Promoting our future through diversity"

2020-2021 Annual Report

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Acknowledgement

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

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

A copy of this annual report and various other Council publications are available on Council's website 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

Cover Images:

Hillston Aerodrome Taxiway Rehabilitation Works
Hillston Swimming Pool Party November 2020
Citizen of the Year Marie Clarke
Youth Week Paint and Pizza Day HDO

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Welcome to Carrathool Shire Council's Annual Report 2020-21

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 2020 to 30 June 2021 and details the progress made against the 2020/2021 Operational Plan.

The audited financial statements for the 2020/2021 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.

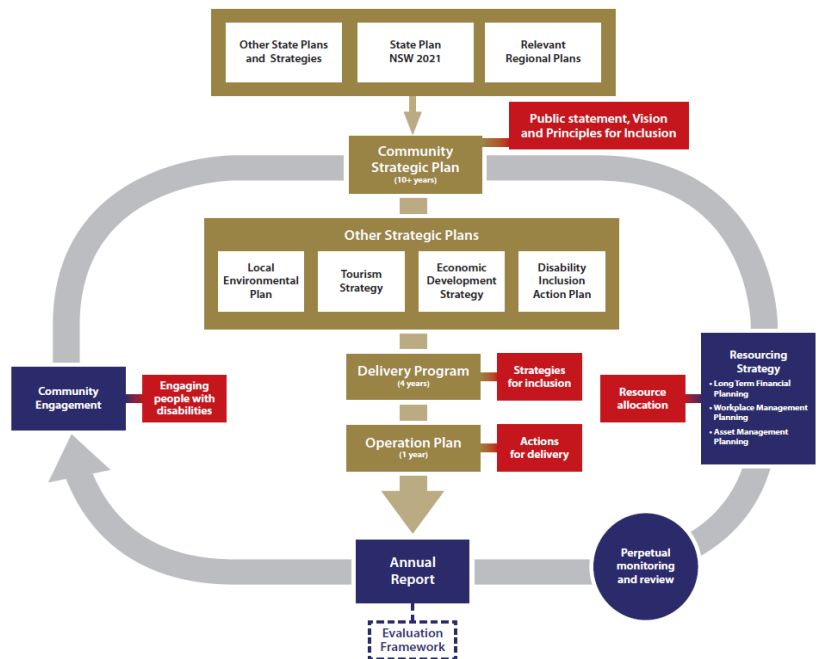
The third section of the report contains additional information on legislative requirements not covered in the main body of the report.

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 End of Term Report (Appendix 1).

Message from the Mayor & General Manager

2020/2021 again saw many challenges for our community, COVID-19 remained a concern for all of us and congratulations to our community for the way in which they managed the issue in their day to day activity.

The Council elections that were to be originally held in September 2020 were postponed to December 2021. The term of the Council was extended and work continued on our roads, water and sewer services and town amenities.

Considerable funds and effort have been put into the road network – the ability of our producers to operate efficiently is paramount for the sustainability of economic base.

Council undertook an analysis of our roads with a view to opening up roads where possible to restricted vehicles such as road trains and B Doubles on our local road network. After consultation with road users, Transport for NSW (TfNSW) and the National Heavy Vehicle Regulator many of our roads are now able to be used by larger combinations vehicles.

Progress continues to be made with the sealing of Carrathool road with funding being secured to see this work completed next financial year. Much of Lachlan River Road has been sealed and Council is hopeful this will also be completed in the near future. Council also received substantial funding from TfNSW to reinstate many of our roads that were damaged by flood waters during 2019 – this work is now largely complete.



Rick Warren, General Manager

The 2020/21 year also saw improvements to many Council assets across the shire. The second amenities block at Hillston Caravan Park was renovated using Crown Reserves Improvement Funding. The amenities and public facilities at the Rankins Springs Caravan park were rejuvenated, as well as a new BBQ installed. Our community halls continue to have improvements, major safety works were carried out at the Gunbar Hall and the old Goolgowi Council building was totally renovated providing another space for small groups to meet.

Work also commenced on Jacksons Bridge over the Lachlan River at Hillston. When finished in December 2021 the bridge will accommodate wide load vehicles, have a higher bridge deck and is the last of Councils timber bridges to be upgraded to a concrete structure.

2020/21 also sees the near completion of Councils term – I would like to thank my fellow Councillors for their commitment to the shire and for the support they have provided me as Mayor. As Councillors we can all look back at many achievements we have been able to provide to our community over the past five years.

As always thank you to our staff for helping build a better community.



Mayor Darryl Jardine

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. 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 Community

Australian Bureau of Statistics (2016)



POPULATION
2,719



52.2%

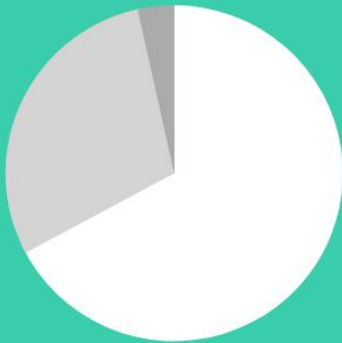


47.8%

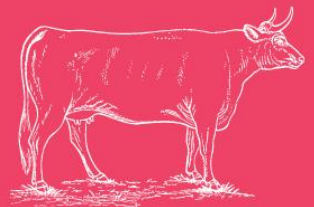
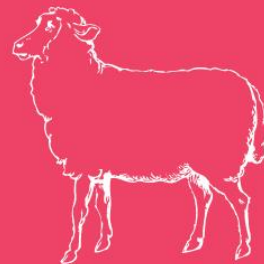
EMPLOYMENT



FULLTIME 61.7%
PART TIME 27%
UNEMPLOYED 3.2%



TOP INDUSTRIES OF EMPLOYMENT



MEDIAN
HOUSEHOLD
WEEKLY INCOME
\$1,240

HOUSING

OWNED OUTRIGHT 39.8%
MORTGAGE 18.8%
RENTING 34.5%



Our Council

Councillors

The people of Carrathool Shire are represented by 10 Councillors who are elected once every four years. After the resignation of Cr Laird in 2019 a decision was made to not hold a by-election and to move forward with 9 elected Councillors until the next Local Government Election.

The Shire is divided into two wards with five Councillors elected from each ward. The next Local Government Election was due to be held in September 2021 but has once again been postponed due to COVID-19.

The next Local Government elections will be held on 4 December 2021.

Ward A



Cr Darryl Jardine
Mayor
Elected in 2004

Meetings attended: 12



Cr David Fensom
Elected in 2008

Meetings attended: 12



Cr Geoff Peters
Elected in 2012

Meetings attended: 12



Cr Brett Lewis
Elected in 2016
Resigned 2 October 2020

Meetings attended: 1

Council meetings

During 2020/2021, eleven ordinary council meetings and one extraordinary council meetings were held. The agendas, minutes and audio recordings 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 with COVID-19 restrictions in place.

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 August ordinary council meeting was held in Rankins Springs.

Ward B



Cr Russell Campbell
Elected in 1997

Meetings attended: 12



Cr Bill Kite
Elected in 2004

Meetings attended: 11



Cr Michael Armstrong
Elected in 2012

Meetings attended: 9



Cr Beverly Furner
Elected in 2016

Meetings attended: 12

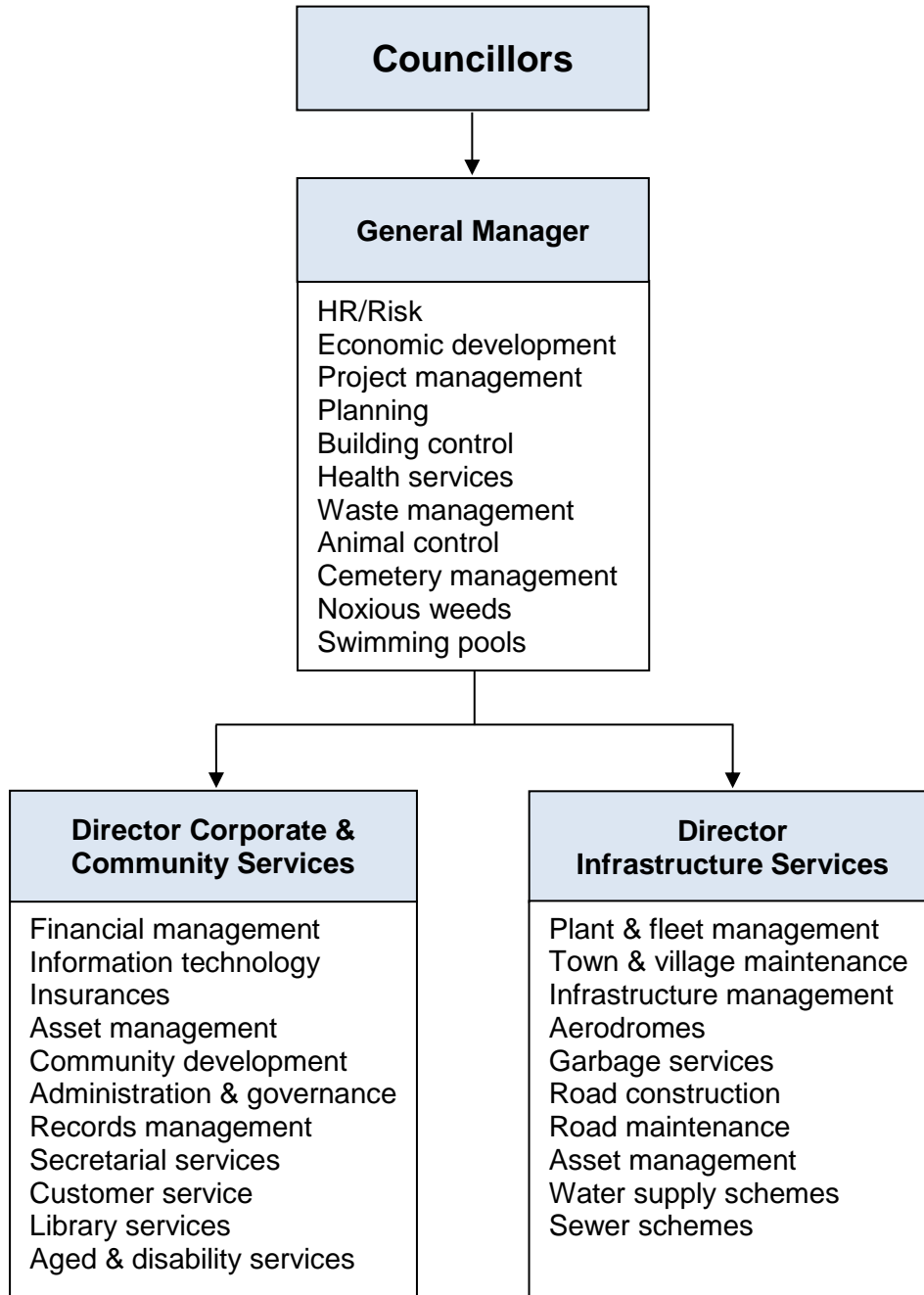


Cr Scott Groat
Deputy Mayor
Elected in 2016

Meetings attended: 10

Organisation Structure

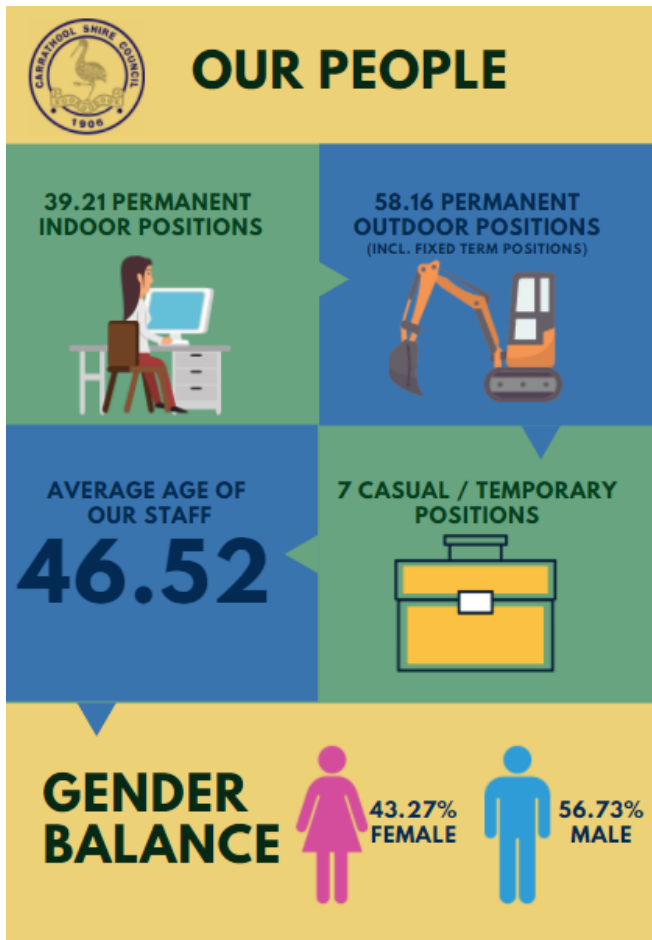
The organisation structure in 2020/2021 was aligned under two directorates.



HR / Risk Highlights

Our People

Council has a staff complement of 97.37 full time equivalent employees as at 30 June 2021.



Slightly less than half our staff are positioned at the operational level (48.45%) with management representing 5.14% of the workforce.

In 2020/2021 the following human resources activities were undertaken:

- Ongoing implementation of an Human Resource Information System (HRIS);
- continued support for traineeships, apprenticeships, a graduate program and skills acquisition across the organisation in professional, technical, administrative and operational areas (Covid-19 created some challenges for provision of training during this period);
- 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 2020/2021, Council's staff turnover was **38%** this figure includes seasonal positions and casual roles. Adjustment for transitory positions brings Council's turnover rate to **19.51%**. Exit questionnaires were completed by most staff. Reasons for staff turnover included, but were not limited to retirement, taking positions within the private sector and personal reasons.

Council actively recruited 29 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 focus in Council's Workforce Strategy.

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

- Capability Framework implementation
- Local Government (State) Award 2020
- corporate training plan
- recruitment
- policy and procedure development
- scheduled learning and development and health surveillance "Carrathool Kick Start Day"
- committee member elections including designated positions.

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:

- Consideration of objectives outlined in the EEO Management Plan 2018-2023;
- 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;
- Revision of the process for access to higher grade duty opportunities for staff based on merit, along with access to 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. Covid-19 created some challenges for the provision of face-to-face training during 2020-2021. Council relied on e-learning wherever possible or training was postponed.

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

Council's corporate learning program supports a broad range of staff development needs. This is developed in alignment with strategic priorities, as well as in response to needs identified through staff performance and development plans. A variety of learning methodologies are used, including e-learning, facilitated workshops, and mentoring and coaching.

During 2020/2021, Council offered a range of professional development opportunities to staff:

Aged Care Training
Asbestos Awareness Training
Basic Wastewater Training
Reflect Training
Building Surveyor Professional Development
Cert III Civil Construction
Chemcert Reaccreditation
Confined Spaces Training
Chainsaw Cross Cut
First Aid Reaccreditation
Forklift Training
Lifeguard Refresher
Leadership Program
Water Industry Training
Suicide Intervention Skills Training
Workforce Planning
Infection Control
Street Sweeper Operation Training

Council held its annual 'Carrathool Kick Start' – a health, wellbeing, and training day in March 2021 after postponing the 2020 event. The day was designed to facilitate mandatory training in an interactive manner along with providing an opportunity for staff to participate in health and wellbeing screening activities.

Staff Health and Well Being

Council continues to offer health screening initiatives and wellbeing programs for staff when funding allows. Council provided flu shots for staff, relevant immunisations as relevant to positions, hearing tests (which are carried out every two years for all high-risk staff), and skin checks this year

Council's insurer, Statewide Mutual introduced the Continuous Improvement Pathway (CIP) in 2012 and CIP Workbooks in 2017/2018. 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 2020/2021 included Sporting Fields / Facilities, Contractor Management, Risk Culture, and Information Security.

Work Health & Safety

Council endeavours to promote a safe culture and develop WHS and Risk Management best practices within its workforce. Council has continued to utilise the online safety system, Vault / Damstra for incident reporting, contractor management, as an event (incident) register, for inspections and as a training register.

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

Risk Management is important to Carrathool Shire Council's ability to achieve the Strategic Objectives outlined in the Community Strategic Plan.

By fostering a vibrant Risk Management culture that encourages all staff to systematically apply the principles and procedures outlined in the Risk Management Plan, Council seeks to minimise resource waste and ensure that all Council objectives, activities and projects are undertaken with minimal risk.

Initiatives to reduce Council's risk exposure continued to be implemented in 2020/2021 including:

- adoption 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.

Our diverse workplace



Images of staff members throughout 2020/2021:

Goolgowi Respite Activities (MSO), Roadworks on Carrathool Road (Infrastructure Services), New Goolgowi Town Sign (Economic Development/Infrastructure Services)

Economic Development

Economy

Carrathool Shire's major economic drivers continue to be traditional farming activities such as grazing and cereal cropping; however, there is a strong contribution to our overall economy by some newer industries such as chicken growing, intensive horticulture, nuts and olives.

Carrathool Shire into the future will need a streamlined, cost-effective logistics chain to continue to deliver at competitive rates, our commodities to both export ports and domestic markets. Council will continue to lobby both State and Federal governments in this regard.

The Shire's economy has been impacted many ways by the COVID-19 pandemic. Of particular concern are the restrictions on both national and international travel on our seasonal workers. Carrathool Shire relies strongly on 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 can be 20% of our resident workforce. It is hoped that the challenges currently in place regarding travel into our Shire for work will be eased in the coming year.

An emerging trend, especially in the irrigation areas, is increasing interest amongst the global financial community to invest in our Shire's high performing irrigation farms. This trend is expected to continue due to the ever-increasing world-wide demand for Australian produce.

Community

Hillston was the venue for the start of Fanny Lumsden's Country Halls Tour. The evening featured entertainment by Fanny Lumsden and her band the Prawnstars. Local performer Jorja Dalton opened the night followed by TV's The Voice winner Timothy Bowen. A great night of entertainment for the whole family.

International Women's Day was sponsored by Carrathool Shire and hosted by the Hillston CWA in March 2021. The day had an international theme and was well attended.

2022-2021 saw the installation of new Shire signage, including welcome to the Carrathool Shire and individual town signage. This project was possible through Stronger Country Communities Funding.

Australia Day

The 2021 Australia Day celebrations were hosted by the Rankins Springs community at the Rankins Springs Memorial Hall. The event was attended by over 80 people who celebrated the achievements of all individuals and community groups nominated.

The 2021 Australia Day Ambassador for Carrathool Shire was Mr Victor Kovalenko and his wife Tatiana. Victor is the coach of the 470 Class Sailing Team who won gold in the recent Tokyo Olympics. The 2020 Citizen of the Year was Maree Clarke from Goolgowi, while the 2020 Young Citizen of the Year was Khloe Favero also from Goolgowi.

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 particularly heartening to see our young people give of themselves in this way.

As part of this year's Australia Day Celebrations, a billboard art competition was held. Heather Lyall's entry, titled *Australia, Our Country*, was the winner. The original artwork hangs in the Carrathool Shire Office in Hillston while the billboard of the artwork will be located at the entrance to Hillston.



Australia – Our Country by Heather Lyall

Youth Week

Youth Week 2021 celebrations were combined with the opening of the Stan Peters Oval Infrastructure Upgrade. This project made possible by funding from the Stronger Country Communities Fund. The day entailed laser tag, with a battle ground made of hay, kindly donated by Mr Don Robertson, t-shirt decorating and a BBQ cooked by St Joseph's P & F Association. A bus ran from Rankins Springs to Hillston for those who wished to attend. Two additional events were held in Hillston and Goolgowi being Paint and Pizza days.

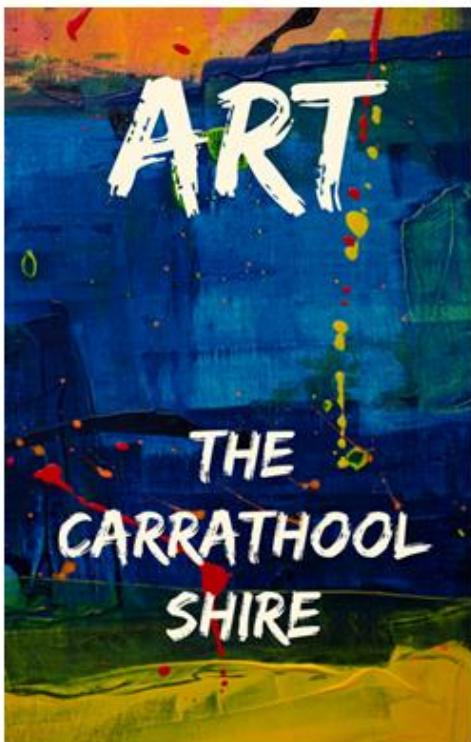
Tourism

Carrathool Shire continues to welcome "grey nomads" with their caravans to the Shire, notwithstanding the ongoing effects of COVID 19 restrictions. The major routes for this travelling sector are the Kidman Way and the Midwestern Highway, both which cross through our Shire. Council-operated caravan parks provide overnight opportunities which is an important part of our visitor economy. Council continues to invest significant grant funding into the Hillston Caravan Park with the provision of upgraded amenities and new tourist cabins.

Council continues to promote our shire by participation in the Kidman Way Promotional Committee.



Photos: Youth Week 2021 - Laser Tag, Paint and Pizza Day - Goolgowi



Carrathool Shire Tourism Brochures designed and released during 2020/21

Grant funding received 2020/2021

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)	\$3,921,078.00
FAG – Local Roads	\$2,396,704.00
Australia Day Grant	\$10,200.00
Community War Memorial Fund	\$10,000.00
Federal Government Road to Recovery Program	\$2,836,093.00
RMS State Roads	\$1,960,066.00
RMS Block Grants (Regional Roads)	\$1,845,426.60
Roads Flood & Storm Damage	\$191,442.00
Fixing Local Bridges – Jacksons Bridge	\$175,00.00
Fixing Local Roads – Carrathool Road	\$1,165,859.01
Noxious Weeds Program	\$112,336.00
Local Roads & Community Infrastructure Program Round One – Various Projects	\$1,299,674.00
Local Roads & Community Infrastructure Program Round Two – Various Projects	\$169,968.54
SCC R2 – Goolgowi Recreation Amenity Improvements	\$28,541.89
SCC R2 – Hillston & Goolgowi Pool Amenities Refurbishment	\$43,693.44
SCC R2 – Hillston Caravan Park Refurbishment and Upgrades	\$198,548.00
SCC R2 – Hillston Tennis Court Upgrade	\$14,531.50
SCC R2 – Merriwagga Tennis Court Upgrade	\$201,136.00
SCCF R3 – Stan Peters Oval	\$138,061.70
SCCF R3A – Various Projects	\$8,279.02
Drought Communities Funding R2 – Various Projects	\$907,090.00
Hillston Floodplain Study	\$24,617.14
Riverbank Stabilisation Project	\$69,976.29
Planning Portal Grant	\$24,011.41
Computer Seniors Program	\$1,000.00
Library Grants	\$262,605.00
Community Care	\$736,293.00
	\$18,577,231.54



◀ Rankins Springs Caravan Park BBQ Area
 ▼ Hillston Caravan Park Refurbishment – Solar Panels
 New LED Sign – WG Parker Memorial Library, Hillston ▼



Corporate & Community Services Highlights

Financial Results

Council reported an operating deficit before capital grants and contributions of \$1.611 million for the year ended 30 June 2021 (2020 – surplus of \$3.785 million).

Excluding capital grants and contributions, operating revenues for the year were \$24.76 million a decrease of approximately 3.23% on the previous years figure of \$25.56 million, whilst during the same period operating expenses were \$26.375 million, including depreciation expenses of \$8.124 million, an increase of approx. 20.1%.

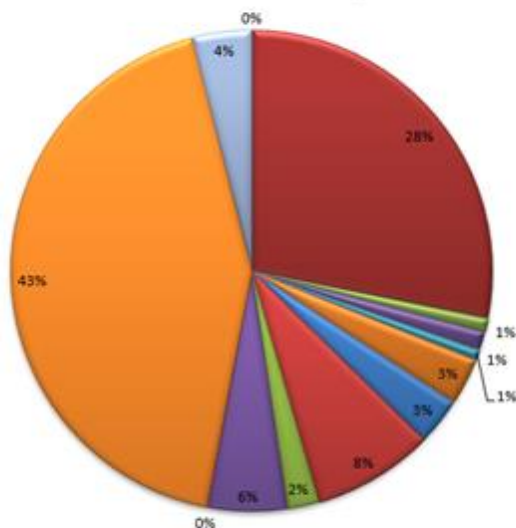
A breakdown of Council's operating revenues and expenses by function for the year is as follows:

In addition to operating revenues, Council received capital grants and contributions amounting to \$3.573 million (2020 - \$6.707 million).

In the twelve month period to 30 June 2021 Council's operating result from continuing operations (including capital grants and contributions) was a surplus of \$1.962 million compared with a surplus of \$10.492 million in the previous year.

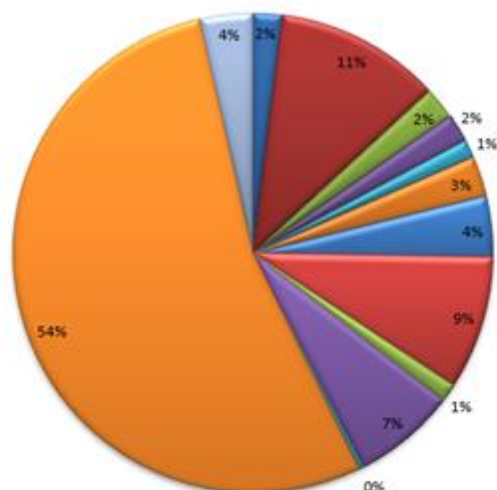
For further financial information including the Audit Report please refer to the Financial Statements attached to this report.

Revenue 2020/21



- GOVERNANCE
- ADMINISTRATION
- PUBLIC ORDER & SAFETY
- HEALTH
- ENVIRONMENT
- COMMUNITY SERVICES & EDUCATION
- HOUSING & COMMUNITY AMENITIES
- WATER SUPPLIES
- SEWERAGE SERVICES
- RECREATION & CULTURE
- MINING, MANUFACTURING & CONSTRUCTION
- TRANSPORT & COMMUNICATION
- ECONOMIC AFFAIRS

Expenditure 2020/21



Library Services

Carrathool Shire W.G. Parker Memorial Library is a multipurpose facility that provides services that reflect both the needs and demands of the local community. The library brings people together to participate and enjoy a range of library services and events. The Library is recognised as a safe place where everyone is welcomed.

RENEW OUR LIBRARIES FUNDING

During the 2020/21 year the increased State funding to Libraries as a result of the Renew Our Libraries campaign went towards a number of projects including;

- New LED Sign
- Collection Resources
- Security Cameras
- Tables & Chairs (Junior Section)

EVENTS AND PROGRAMS

Despite COVID-19 closures our library remained at the centre of our community and held many events for residents and visitors.

- 'Be Connected' Technology Classes for Seniors.
- Story Hour ran regularly during the school holidays.
- Seniors Week 2021: We celebrated our local businesses by utilising gift cards to pubs, restaurants and cafes within the shire.
- David Marlin Photographic Exhibition – Award Winning Sky. A free exhibition open to all. This visit was organised by South West Arts and the Museum of Applied Arts and Sciences.
- Book Week 2020 - Frances Watt was to be our visiting book week author in August, but due to Covid-19 restrictions the visit was cancelled. Book week was postponed until October 2020 and we focused the week and activities around her books.

The most rewarding activity for book week was a Scavenger Hunt organised in Hillston township and in the schools in the surrounding villages.



▲ Book Week Visit
 ◀ Story Hour Crafts
 ▶ David Marlin, Winning Skies Exhibition

Aged and Disability Services

The Multi Service Outlet (MSO) provides our eligible Shire residents with a range of services and supports to help them continue living independently in their homes and maintain connections with their community.

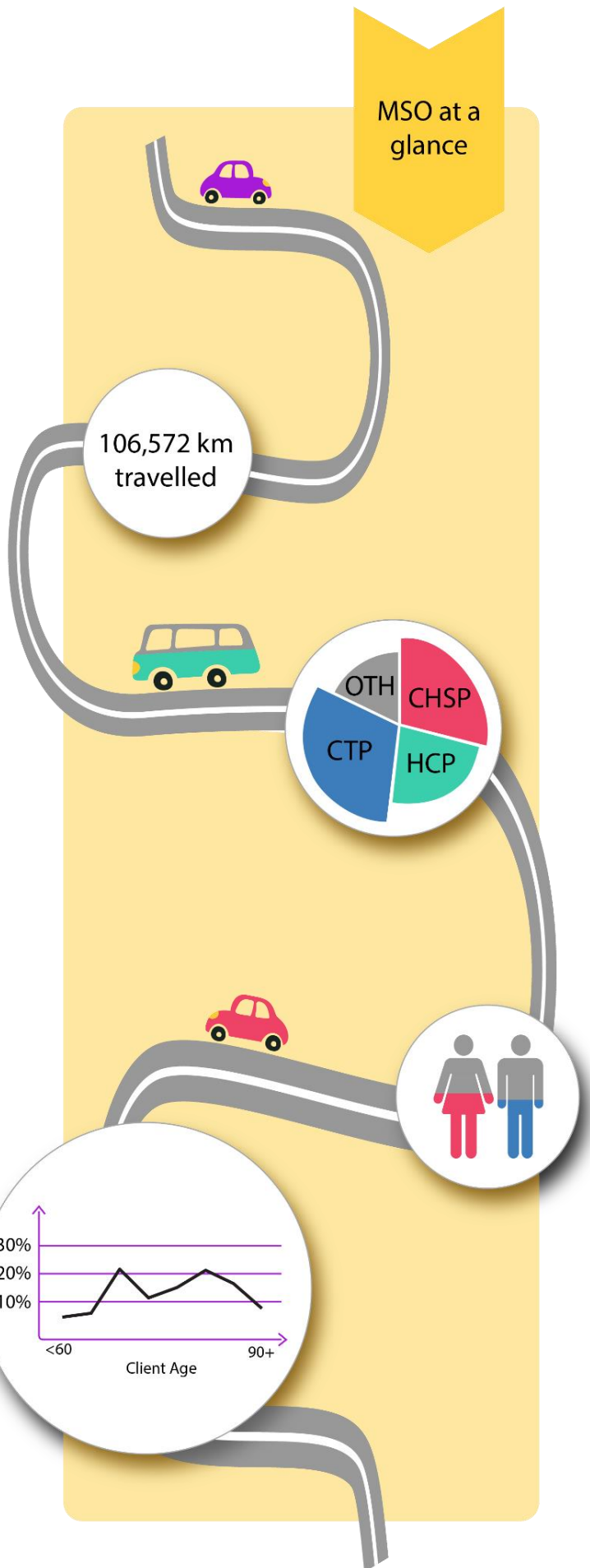
The services we provide are made possible by various state and federal grants and funding, and include:

Commonwealth Home Support Programme (CHSP): the entry-level support service for older community members. We partner with our clients to help them maintain their independence and improve their health and wellbeing. Under this program we provide a range of services such as home maintenance, home modifications, meals, social support, domestic assistance, respite, and community transport.

Home Care Packages (HCP): we are an approved provider for HCP, which are funding packages designed to assist older people with more complex needs. The services we provide are based on each client's care needs and care plan, and have a strong focus on wellness, independence, safety and social connectivity.

Our Community Transport Program (CTP) provides transport services for those that have no or limited access to public transport due to their location, financial resources or physical or cognitive capabilities. This service is available to all residents, and is used to assist with maintaining social inclusion, accessing goods and services for daily living, and providing a connection to other public transport.

The COVID-19 pandemic continued to have an impact on the services we provided during the year, and in response to the various legislation impacting on aged and community care we made multiple adjustments to services such as our community transport and social activities.



Major Capital Works – A Year in Review

Carrathool Road - Pave and Seal

Total Cost - Stage 1: \$1,250,000

Stage one of this project was funded by Fixing Local Roads Round 1 funding.

During the 2020/21 financial year Council completed stage 1 of the Carrathool Road Pave and Seal Project. This project is divided into 5 stages with stage 2 complete as of September 2021. Stage 3 is currently underway and is expected to be completed late December 2021.

Stage 1 and 2 consisted of 10km of seal with the further 3 stages constituting an additional 14km.



Carrathool Road – Pave and Seal Stage 1

Hillston Aerodrome Taxiway Rehabilitation and Reseal

Total Cost: \$90,000

This project was funded by Local Roads & Community Infrastructure Program - Phase 1

The project involved the rehabilitation of approx. 3500m² of existing pavement. The original pavement had endured a lot of wear and tear over the years and required an upgrade.

This project was completed in two stages and included improved strengthening of the pavement base followed by a two coat seal. Council utilised the skills and resources of local contractors to complete the works.

This project was concluded over a two-month period and was completed in November 2020.



Infrastructure Services Highlights

Public Works

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

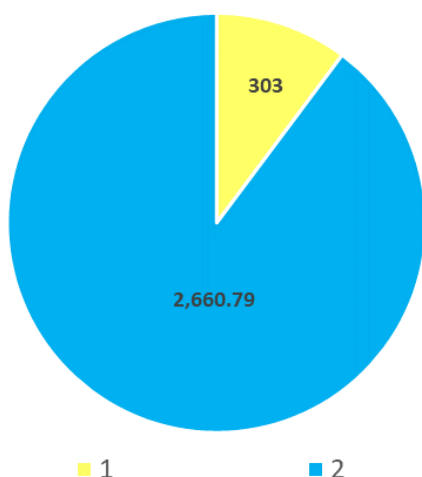
- Roads
- Bridges, culverts and stormwater drains
- Footpaths, kerb and gutters and street trees
- Buildings and public amenities
- Aerodromes
- Flood mitigation levees
- Reserves, parks and gardens
- Water treatment works & reticulation systems
- Sewer treatment works & reticulation systems
- Caravan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

The report on Infrastructure Assets which forms part of Council's Annual Financial Statements provides information about the condition of Council assets. The estimated cost to bring public works up to a satisfactory standard is \$1.03 million. The required annual maintenance cost of public works for 2020/2021 is \$4.19 million. The current actual spend on annual maintenance of public works for 2020/2021 was \$4.41 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



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	537.83
Unsealed	2,122.96
Total	2,660.79

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

* Not part of RMS Road Maintenance Council Contract

During 2020/2021 the following road works were undertaken:

Roads 2 Recovery Program (R2R)

Road Name	Type	Cost
Lachlan Valley Way	Reseal	\$102,350
Roto Road	Reseal	\$73,600
Munros Road	Reseal	\$114,250
Rankins Springs	Linemarking	\$5,400
MR80 Mossgiel Road	Linemarking	\$7,200
Lachlan Valley Way	Linemarking	\$3,600
Lachlan River Road	Pave and Seal	\$1,378,600
Total		\$1,685,000

RMS Block Grant – Capital Works

Road Name	Cost
MR368 – Construct and Seal 2.5km	\$420,000
MR371 – The Lake Road Reseal 2.85km	\$142,300
Total	\$562,300

Fixing Local Roads Program

Road Name and Works Completed	Cost
Carrathool Road – Construct and Seal 5km	\$1,090,000



Hillston Heavy Vehicle Bypass – Stage 1

RMS Repair Program – Capital Works

Road Name	Type	Cost
MR80	Pave and Seal	\$307,000
MR368	Pave and Seal	\$227,000
Total		\$534,000

Local Roads – Capital Works

Road Name	Type	Cost
Cahills Road	Reseal	\$95,600
Merriwagga Raod	Reseal	\$33,500
Mitchell's Road	Reseal	\$57,300
Lachlan River Road	Linemarking	\$12,200
Total		\$198,600

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.

Footpaths, Kerb and Guttering**Footpaths:**

- New construction in Penney Street Goolgowi
- New construction in Boomerang Street Rankins Springs
- New construction in Keats Street Hillston
- New construction in Byron Street Hillston

Kerb & Gutter

- New Construction in McGee Street Hillston
- Replacement in Henry Street Hillston
- Replacement in Herrick Street Hillston

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 2020/2021.

The following capital works were completed on the Hillston Aerodrome for 2020/21.

Stronger Country Communities Round 3 Funding	Cost
Hillston Aerodrome Taxiway Rehab	\$90,000

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 2020/2021****\$1,620,561****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 2020/2021 include:

- Hillston approach improvements with new tree line and watering system.
- New and upgraded watering systems for:
 - Hillston Cemetery
 - Hillston Street Gardens
 - Rankins Springs Cemetery
 - Rankins Springs Landfill
 - Parks within Goolgowi and Carrathool.
- Remediation and tree planting at Rankins Springs Landfill
- Parks and Playgrounds:
 - New playground at Rankins Springs Sports Ground and park furniture at various parks.
 - New park seating in various locations around Goolgowi.
 - Tree plantings at Wade Park Carrathool.
- Stan Peters Oval Upgrades:
 - Oval Beautification
 - Hillside Turf and Sprinkler System.

Floodplain Management

The new flood plain management study continued over the 2020/2021 financial year. The total grant funding is \$99,850.00. Milestone one and two have been completed at a cost of \$56,350.00 with the next milestone due during the 2021/2022 financial year.

Storm Water Improvements

A Storm Water Improvement project in Hillston was completed in 2020/2021 at a total cost of \$100,000.00.

Water Supplies

Council is committed to managing its water supply effectively to provide 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 2020/21 Council completed the following capital works:

- Replacement of various water mains, which included:
 - 60m on Milton Street, Hillston
 - 300m on High Street, Hillston
 - 1,000m between Merriwagga and Goolgowi
 - 960m around Langtree Bore
 - 250m on Zara Street, Goolgowi
 - 2,500m on Mid-Western Highway, Rankins Springs
 - 1,100 on Monia Gap Road, Melbergen Scheme
- Electromagnetic flow meters have been installed at Bore sites and pump stations around Hillston and Goolgowi to assist in obtaining accurate water extraction data for monitoring and reporting purposes.
- New pump system installed and commissioned at Merriwagga pump site to pump water to Goolgowi village.
- De-silting of Goolgowi raw water storage dam has been completed after some delays. These works aim to improve water quality and re-establish storage capacity of the dam.

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

The Rankins Springs Water Treatment Plant is consistently performing well under constant supervision of DPIE officers. Council is progressively connecting more properties to the scheme with potable water charges applied to all properties from July 2020 after the council resolution.

Integrated Water Cycle Management System:

During 2020/21 Council successfully secured funding under the Safe and Secure Water Program (SSWP) to develop a 30-year Integrated Water

Cycle Management (IWCM) strategy. This strategy is one of the chief planning documents for local water utilities to provide sustainable water supply and sewerage services.

Sewerage Services

Council manages and maintains one sewage treatment plant (STP) at Hillston and evaporation 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 evaporation ponds after recycling.

The sewerage systems in place designed to efficiently collect, transport, and treat the community's sewage and liquid waste efficiently and cost-effectively.

During 2020/21 Council completed the following capital works:

- Condition assessment of all sewer wells at Hillston sewerage works.

As Council does not discharge sewer into receiving water, there are no requirements for an EPA license.

Council runs an awareness campaign via Council's newsletter advising residents not to flush certain items that cannot dissolve or break down in sewerage systems to avoid sewer pipeline and pump blockages.



Langtree Mains Replacement



Melbergen Mains Replacement

Building and Regulatory Services

Buildings & Public Amenities

Council controls land and buildings valued at:

\$33.04 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 seven years and is generally accepted by the community. During 2020/2021 the LEP will be reviewed for any anomalies or foreseeable problems, with a possible planning proposal to be submitted in the future.

In 2019/2020 a Local Strategic Planning Statement (LSPS) was prepared, outlining a 20 year land use strategy to achieve the communities economic, social and environmental vision.

During the reporting period Council approved the following with a total estimated construction value of \$10,616,012.

Development Applications	38
Complying Development Certificates	0

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.

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.

Throughout 2020/2021 Council continued its upgrade of the Caravan Parks. Drought Communities Program (DCP) funding allowed for amenities at Rankins Springs to be updated along with 6 cabin refurbishments and solar panel installation at the Hillston Park.

Council also utilised the Caravan Park Defibrillator Subsidy Program and all three parks received a defibrillator in June 2021.

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.

Waste Management - Landfills

Council operate and maintain five waste management facilities including landfill facilities in Hillston, Carrathool and Rankins Springs and waste transfer stations 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 "DrumMuster" with community groups managing the collection and inspections as part of their fund raising activities.

Weed Control

Council's weeds activities for 2020/2021 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 2020/2021 Council's officer conducted a private property inspection program focusing on Spiny Burr 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

In 2020/21 no bio security directions were issued.

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
- Clockweed
- Spiny Burr Grass Map
- Coolatai Grass
- Silver Leaf Night Shade

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 2020 and readopted by Council on 15 September 2020. The Payment of Expenses and Provision of Facilities 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 2020/2021 Financial Year:

Detail	Amount \$
Mayoral fees	\$26,529.96
Councillors' fees	\$99,306.34
Councillors' expenses:	\$10,335.02
Total	\$136,171.32

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	Nil
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 2020/2021.

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 2020/2021 is as follows:

Detail	Amount \$
Salary	\$241,124.87
Employer compulsory superannuation	\$24,866.15
Bonus or other payments	Nil
Non-cash benefit (house, phone & car)	10,000
Total fringe benefits	\$12,402.78
Total	\$288,393.80

Rates Charges Written Off

Local Government (General) Regulation 2005 Clause 132

Council wrote off the following rates and charges during the 2020/2021 financial year:

Detail	Amount \$
Rates Written Off	\$452.43
Water Charges Written Off	\$688.10
Sewer Charges Written Off	\$74.58
Total	\$1,215.11

During the year \$59,133.81 in rates and charges were written off under the pensioner rebate scheme, with Council receiving a subsidy totalling \$32,523.60.

No request to write off rates and charges under Council's Hardship Policy was received during 2020/2021.

Legal Proceedings

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

Council incurred the following legal costs during the 2020/2021 Financial Year:

Detail	Amount \$
Debt Collection	Nil
Contract Preparation	\$430.00
Lease Preparation	\$480.00
Review Stock & Domestic Water	\$2,243.94
Total	\$3,153.94

Contracts Awarded

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

Council awarded the following contracts greater than \$150,000.00 during the 2020/2021 Financial Year:

Name	Nature	Amount
Paveline International	Paveline Tar Patch Truck	\$419,544.40
Built Environment Collective Pty Ltd	Flood Damage Project Management	\$515,240.00
Rosmech Pty Ltd	Street Sweeper	\$364,686.30
RDO Equipment Pty Ltd	John Deere 670G Motor Grade	\$464,420.00
Murray Constructions	Jacksons Bridge – Design and Construct	\$2,382,902.50
Symal Infrastructure Pty Ltd	Flood Damage 2019	\$6,327,325.00
Public Works Advisory	Integrated Water Cycle Management Strategy	\$480,417.00
Craig McKeon Earthmoving	Lachlan River Road Pave and Seal	\$1,400,000.00
Tristar Industries	Tristar Side Tipping Trailer	\$162,283.00
Tristar Industries	Tristar 28,000ltr Water Tanker	\$150,920.00
ACS Equip Pty Ltd	Bore Condition Assessment	\$240,274.10

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 2020/21 (20 applications)	\$22,192.62
Rankins Springs Golf Club Christmas Event	\$500.00
Remembrance Day 2020	\$130.00
Anzac Day 2021	\$1,438.65
Rates waived for Community Groups	\$3,426.00
Charles Sturt Scholarship Scheme 2021	\$6,000.00
Hillston Triathlon	\$1,242.53
Hillston Breast Cancer Awareness Fundraiser	\$1,000.00
Life Education Van	\$494.82
Total	\$36,424.62

Corporations, Partnerships, Trusts & Joint Ventures

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

Council held no controlling interest in any company during the 2020/2021 period.

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

Council was involved with the following organisations during 2020/2021:

- Riverina and Murray Joint Organisation (RAMJO)
- Riverina Regional Weed Committee
- Rural Fire Service NSW
- 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 2020/2021:

- 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
- Willanthry 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 2020/2021.

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 2020/2021.

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 2020/2021.

Planning Agreements

Environmental Planning and Assessment Act 1979 Section 9.10

No planning agreements were in force during 2020/2021.

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 \$354,962. 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 2020/2021 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

Our Disability Inclusion Action Plan (DIAP) was adopted as a part of our community strategic planning and delivery programs in 2017. Input from our community members who live with disability, or have experience in accessibility and inclusion, helped us to make decisions on our plans and programs and to build on the work we had already started.

We are committed to meeting the current and future needs of our residents and visitors, and we have achieved progress in our Shire's priorities for making our communities more accessible and inclusive. We ensure that inclusion is built into our day-to-day work, and disability inclusion priorities are built into our ongoing strategies and programs.

The plan is due for review next financial year.

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 2020/2021 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 related incidents.

Government Information (Public Access)

Government Information (Public Access) Act 2009 Section 125

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

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	1	0	0	0	0	0	0	1	50%
Access applications that are partly personal information applications and partly other	0	1	0	0	0	0	0	0	1	50%
Total	0	2	0	0	0	0	0	0	2	
% 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).

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

Development Approvals, Building Permits

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
3

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	2	2
% of Total	0%	100%	

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

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	0	0	0	0	0	0	0	0	0%
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	0	0	0	0	0	0	0	0	0%
Members of the public (other)	0	2	0	0	0	0	0	0	2	100%
Total	0	2	0	0	0	0	0	0	2	
% 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.

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

Table C: Invalid applications

Reason for invalidity	No of applications	% of Total
Application does not comply with formal requirements (section 41 of the Act)	0	0%
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	0	0%
Invalid applications that subsequently became valid applications	0	0%

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	2	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	2	

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

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)	2	100%
Decided after 35 days (by agreement with applicant)	0	0%
Not decided within time (deemed refusal)	0	0%
Total	2	

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

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

Performance End of Term Report



Carrathool Shire Council

Promoting a future through diversity.

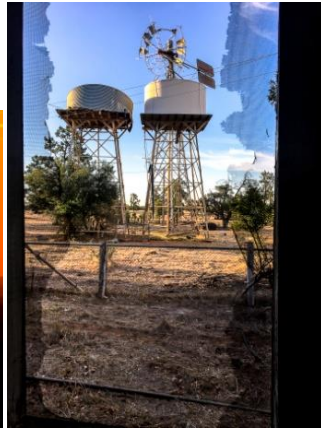
Delivery Plan

Performance Report End of Term 2021

Youth Week Smart Phone Photo Competition 2018 – Theme: Lights Camera ACTION Qualifying Entries



Genevieve Rixon – Hillston



Lucinda Star – Carrathool



Jack Gordon – Goolgowi



Simon Star – Carrathool



Luke Mackie – Hillston



Lachlan Wilson - Hillston



Erika Star – Carrathool



Violet Wray – Merriwagga



Dakota McMillian - Hillston

1. An Inclusive, Connected and Healthy Community

Action	Responsible Directorate	Partners	Performance Measure	Target Year				Outcome
				2017/2018	2018/2019	2019/2020	2020/2021	
1a. Increased transport options for all sectors of the community								
1a(i) Canvas Secretary of Transport for increased public transport within the Shire	GM	Transport for NSW RMS	Improved public transport within the Shire	x				2017: Completed June 2017. Volunteered for pilot for alternative public transport when TfNSW responded. Followed TfNSW up in December 2017. Letter of support sent to Griffith Bus Lines regarding extension of TfNSW contract to enable scheduled routes in Carrathool.
1a(ii) Liaise with surrounding Councils to identify shared transport resource options	GM	Community Transport providers Other Councils Transport for NSW	Improved public transport within the Shire	x				2018: Issue discussed at 2 February RAMROC GMs meeting.
1a(iii) Review effectiveness and efficiency of Community Transport function	GM		Improved Community Transport function	x	x			2018: Function reviewed and improvements identified. DCCS working with Coordinator to improve systems. 2019: 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	x			2017/2018: Griffith Bus Lines contacted Council about public bus transport from Griffith to Hillston and submissions made. This was unsuccessful.
1b. A connected community for pedestrians thought well planned walking tracks								
1b(i) Prepare Master plan of footpaths for each town and village	DIS		Report to Council re Footpath Master plan approved	x				2017: Following discussions with team members it's noted that a defects log has been compiled and a draft master plan will commence during the month of February. 2018/2019: In progress. Some work undertaken but further planning required.
1b(ii) Implement Footpath Master plan	DIS		Footpath Master plan implemented		x	x	x	2019: In progress, most areas identified. Report provided to the March Council meeting. 2020: In progress, most areas identified. Report to the March Council meeting. 2021: Draft plan partially completed.
1b(iii) Identify problem areas for wheelchair access (kerb ramps)	DIS	State Government	Report to Council re wheelchair access remediation plan approved	x				2018: These areas will be identified over the course of the draft plan. 2019: Report completed to Council.
1b(iv) Remediate wheelchair problem access areas	DIS		Wheelchair access problem areas remediated		x	x	x	2019: Following adopted plan from Council areas will be budgeted for in the new financial year. 2020: Wheelchair access areas reviewed and remediation completed.

1b(v) Prepare plan for walking track around Lake Woorabiinda	DIS		Report to Council re Lake Woorabinda walking track approved		x			2019: Report provided to the February Council meeting.
1b(vi) Construct Lake Woorabinda walking track	DIS		Lake Woorabinda walking track constructed			x	x	2019/2020: Track Construction Completed
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		2019: Draft Master Plan completed, awaiting community consultation phase. 2019: Complete – Report sent to Oct 2019 meeting. Project on hold due to other commitments from Council.
1c. A community where young people are engaged and valued								
1c(i) Facilitate formation of a Carrathool Youth Council	EDO	Schools	Report to Council re Youth Council format and composition approved		x			2018: Report delayed until the fourth quarter. EDO met with Assistant Principal HCS, and will progress the youth council in conjunction with SRC (student rep council) in the 4 th school term. 2019: In progress, EDO working with Hillston Central School re feasibility of incorporating the Youth Council as a function of the Student Reference Group. 2020: EDO working with the Student Representative Council to gain feedback on youth related projects. The students have expressed that they prefer this form of engagement and the implementation of a Youth Council is unlikely.
1c(ii) Facilitate events for Youth Week	EDO	Community Groups Schools	Youth Week program approved and undertaken	x				2018: Photo competition completed and project acquitted.
1c(iii) Facilitate preparation and implementation of Goolgowi Park Master plan	DIS		Goolgowi Park Master plan approved	x				2018: Site investigation to be completed over the month of January to identify key areas. EDO is to engage planner for assistance. 2019: Plan completed and approved.
1c(iv) Goolgowi Park Master plan implementation	EDO		Goolgowi Park Master plan implemented			x	x	2019: Elements commenced including fitness station and preparatory work for Skate Park. 2020: Skate Park & walking trail and fitness station have been completed, along with picnic shelters and seating. Council is applying for further funding for the last stage of the master plan which will involve a toilet block.
1c(v) Install youth page on Council website	EDO		Youth page operating	x				2018: This project has been delayed due to the website project. And formation of the youth council in 4 th school term. 2019/2020: Waiting on new website
1d. An engaged and trusting community with strong social and support networks								
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				2018: Self audit promotion undertaken when needs arise. 2019: 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				2018: After review of DIAP Objectives, BSRM will draft a DIAP implementation plan to prioritise works. For Council facilities will be project managed by BSRM and Maintenance Officer. 2019: 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				2018: Currently insufficient interest will try again early 2019 2019: Traders and business people canvassed re their possible participation – little interest shown.
1e. A healthy community with access to services that meet community needs								
1e(i) Review current multi service outlet services and growth potential	DCCS	Hillston Hospital	Gap analysis of multi service outlet services received	x				2018: Services reviewed but a gap analysis is still required. 2019: 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	x	X	2018: Funding under new home care packages is being sought on a one to one client basis. 2019: Additional funding has been applied for and/or accepted when available. 2020: Applications submitted where appropriate.
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				2018: General Manager is providing support to current GP to improve services at the Hillston Medical Centre. 2019: 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 Year				Outcome
				2017/2018	2018/2019	2019/2020	2020/2021	
2a. Carrathool Shire is connected through appropriate infrastructure to support freight and logistic								
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	x	x	x	2018: Worked with Western Riverina Group to identify mutually beneficial option for grant application. Regional economic Strategy developed. 2019: Some support provided in relation to a freight hub at Narrandera ongoing lobbying via RAMJO. 2020: Lobbying is ongoing through the RAMJO group of Councils.
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	2018: Implemented. New work allocated to Council. Continuous meetings with RMS senior management. 2019: Council continues to work with the RMS and producers on the road network and funding opportunities. 2020: Grant applications made for the Carrathool Road and \$5,000,000 in funding approved
2a(iii) Work with neighbouring Councils to increase infrastructure from grants received	GM	Griffith, Leeton and Narrandera Councils	Joint infrastructure grant applications submitted and under consideration by State Government			x		2020: Applications have been submitted where appropriate
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				2018: List of operators prepared. 2019: Council continues to work within its funding limits taking into consideration the needs of local transport operators and producers.
2b. Community infrastructure that is accessible for everyone								
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				2017: After review of DIAP Objectives, BSRM will draft a DIAP implementation plan to prioritise works. 2018: 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				2017: After review of DIAP Objectives, BSRM will draft a DIAP implementation plan to prioritise works. 2018: Improvement program has been drafted and has been adopted as part of our 10yr facilities management program.

2c. A community where increased number of community members have access to water supply								
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			2019: Ongoing. Report will be provided in the first half of the new financial year.
2c(ii) Undertake a feasibility study to determine viability for any identified expansion	DIS		Feasibility study prepared and presented to Council			x		2020: Feasibility study has not been completed as Council staff are concentrating on asset management and consolidation of existing assets rather than expansion.
2c(iii) Implement asset replacement programme	DIS		Report to Council re W&S Asset Replacement Programme approved	x	x	x	x	2017: AMP is adopted and implemented 2020: New draft asset plans have been produced and provided to Council. Plans will be completed in the 2020/21 financial year.
2c(iv) Raise community awareness re water supply matters	DIS		Water Supply Community Awareness Program implemented	x	x	x	x	2018: System in place to Include items under different communication platform- Council Corner : <ul style="list-style-type: none"> • Water chlorination and suggestion if its high/low etc. • Any capital work completion/\$spent/benefits of it. • Water meter reading and issues with water meters. • Private water extraction and sales. • Private works (letter etc.) procedure and cost. • Water interruptions planned/unplanned. • Any other achievements in W&S department • Sewer chokes and advises what not to put in sewer mains. Webpage/Facebook/spectator: <ul style="list-style-type: none"> • Recent project completed information. • Any emergency breakdowns • Every quarterly water quality results of all schemes. 2019: Ongoing campaign in Council newsletter. 2021: Council produces information in Council newsletters and mail drops.

3. Growing and Diverse Economy

Action	Responsible Directorate	Partners	Performance Measure	Target Year				Outcome
				2017/2018	2018/2019	2019/2020	2020/2021	
3a. Establish Carrathool Shire as a welcoming and exciting place for our community and visitors								
3a(i) Provide welcome kits for new residents	EDO	New and existing businesses Community groups	Welcome kits distribution underway	x				2018: Kits are being developed and should be completed by the fourth quarter. Resident kit available on website. Currently under review to incorporate latest information and stats (in conjunction with new website) To be done by 12-2018 2019: On hold until next financial year. 2020: Welcome kits have been prepared and are available.
3a(ii) Develop new tourism brochures for whole of Shire	EDO		Revised brochures distributed to relevant locations	x				2018: Information is slowly coming in and being gathered and the project should have some drafts available by the end of the financial year. Brochures now in final draft, will be distributed Sept/Oct 2018 2019: Brochures developed, printed and in use.
3a(iii) Refurbish entry tourism signage into Shire	EDO		Entry signage in place	x				2018: Awaiting SCCF round 2 funding preliminary design and locations already scoped. 2019: Funding secured through Stronger Country Communities Fund Round 2 – will commence design and installation next Financial year. 2020: Signs have been completed but are not yet installed.
3b. Growth (population and business development) is supported through revised land use planning								
3b(i) Review the areas of growth pressure or shortage	BRSM		Review of growth pressure or land shortages approved	x				2018: BSRM attended a round table discussion with Dept. Of Planning. Under the new planning regime, all Councils in NSW are required to prepare a Local Strategic Planning Statement (LSPS) which is a 20 year plan that looks at future growth, land zones and use, infrastructure, public transport, employment and education etc. This will be developed and in place no later than 1 July 2020. 2019: Ongoing due to significant changes in planning legislation. 2020: Still awaiting completion of the Hillston Flood Study and review and amendment of the LEP
3b(ii) Review and reassess the currency of Council's Settlement Strategy	BRSM		Review of Settlement Strategy approved	x	x			2018: This 2007 doc was developed to support adoption of 2012 LEP. Due to new planning laws coming in we need to hold on drafting a new LEP to determine impact on this work. 2019: RemPlan Economic Modelling Tool now purchased with A Gap Analysis function available.

3c. Promote opportunities for local economic diversi								
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			2018: Manual analysis undertaken. REMPLAN purchased and training given to staff. REMPLAN documents local businesses. 2019: 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			2018: Issue discussed at 2 February RAMROC GMs meeting. Regular liaison with GMs. 2019: 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	x	x	2019/2020/2021: GM's work in this area has been ongoing.
3c(iv) Work with businesses through the Development Application process if required	GM		ED and planning staff working with DA clients as required		x	x	x	2019: EDO liaising with planning staff where applicable. 2020: Council staff have been assisting businesses where required. 2021: Council staff work closely with clients as required.
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			2019: Council is an equal opportunity employer and position descriptions are subject to annual review.
3d. Support partnerships to achieve positive outcomes for the community								
3d(i) Facilitate Agribusiness Workforce Forum	EDO	New and existing businesses Local producers and farmers	Agribusiness Workforce Forum held	x				2018: Some initial work undertaken but the forum will need some further development before taking place. Research will be conducted amongst major employers in the shire to validate the necessity and content/direction of a forum. 2019: On hold until new financial year. 2020: Council is applied and been approved for funding under the building better regions funding. The project will be underway in the 4 th quarter.
3d(ii) Develop and distribute a Shire Business and Services Directory	EDO	School and community groups	Directory distributed in multi-format	x				2018: REMPLAN will now be utilised to produce the directory. 2019: Will be produced in 4 th quarter 2019
3d(iii) Develop and distribute a digital business newsletter	EDO		Digital newsletter published multi-platform		x			2019: Will be commenced 1 st 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			2019: Preliminary audit has been carried out. BSRM is working with HACC staff ensure 1 st audit is accurate.
3e. A connected community with reliable telecommunications								
3e(i) Undertake a gap analysis in relation to communication coverage within the Shire	GM	Community	Shire Communication Coverage Gap Analysis approved	x				2018: Coverage improved with new Merriwagga tower. New Gunbar tower built and upgrades to Hillston towers planned.
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	x	x	x	2018: Liaison undertaken. 2019: 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	x	x	2019: 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 Year				Outcome
				2017/2018	2018/2019	2019/2020	2020/2021	
4a. A community that thrives on sustainable farming practices								
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			2019: 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			2019: Ongoing as opportunities arise.
4b. Educate our future generations about the natural environment								
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				2018: Initial phone calls and queries have been made. Waiting on responses to date. 2019: 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	2018: New staff undergoing training and events will be supported as required. 2019: Ongoing 2020: Reports will be provided when events are attended. 2021: Reports will be provided when events are attended but COVID has severely limited any activity.
4b(iii) Facilitate road side clean ups and other activities across the Shire	DIS		Continued community engagement by Council with roadside clean-ups and similar activities	x	x	x	x	2018 Council supports community groups with ongoing roadside clean ups. 2020/2021: Road side clean ups are ongoing and community groups are used.
4b(iv) Support major events such as Tree Day and Clean Up Australia Day	DIS		Major environmental events in Shire publicised and promoted as required	x	x	x	x	2018: Events supported when required. 2019: Ongoing. 2020: Events are ongoing and are supported as required. 2021: Events are ongoing and are supported as required but COVID has severely limited any activity.
4c. Consider recycling and waste reduction strategies								
4c(i) Conduct a feasibility study, in conjunction with surrounding Shires, on the benefit of providing recycling across the Shire	BRSM	Local Land Services and research bodies	Report to Council re feasibility of providing recycling services across the Shire including info on composting and existing recycling facilities	x				2018: Recycling put on hold at this stage due to issues in China. Revisiting W.A.R.R. regulation and liaising with Riverina Waste Group regards to possible shared services.
4c(ii) Consider the options to join a joint regional contract for recycle collection	BRSM	Surrounding Councils	Liaison with surrounding Councils re recycling potential	x				2018: Liaising with Riverina Waste Group in regards to possible shared services.

4d. Provide a safe environment for the local fauna and flora							
4d(i) Identify endangered species, habitat locations and what constitutes a danger to each	GM	Local Land Services National Parks	Liaise with lead agencies and provide information on endangered species as required			x	2020: This work is ongoing and dependent on outside agencies.
4d(ii) Identify advocate groups for various flora and fauna	GM		Information paper released identifying advocacy groups for various flora and fauna			x	2020: Council will continue to work with local land care groups and National Parks to continue to assist in the protection of our natural environment.
4d(iii) Develop a flora and fauna protection plan in conjunction with stakeholders	GM	Local Land Services	Liaise with lead agencies and produce information as required			x	2021: Council will continue to work with local land care groups and National Parks to continue to assist in the protection of our natural environment.
4e. Promote an environment that is conducive to the production of high quality fresh fruit and vegetables							
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	Lobbying for improved water, energy and logistics for the Shire's agribusiness sector as required			x	2019: Ongoing as opportunities arise. 2020: Council continues to lobby government and other agencies in this area.

5. Leadership and Governance

Action	Responsible Directorate	Partners	Performance Measure	Target Year				Outcome
				2017/2018	2018/2019	2019/2020	2020/2021	
5a. A community that values the opinions of all and supports young leaders to contribute to the community								
5a(i) Inclusion of youth representatives in the Carrathool Digital Reference Group	GM	Community, Business & Schools	Digital Reference Group formed and operating	x				2018: Reference group in place. Youth requested to be part of the group. 2019: 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				2018: Youth week successful for 2018. Youth Council to be consulted for 2019 when Youth Council created. 2019: Two events held at Goolgowi Club and the Hillston Skate Park.
5b. Encourage more volunteering within the community								
5b(i) Identify volunteering opportunities in Shire	EDO	Community groups	Report regarding volunteering opportunities in Shire provided	x				2018: Community groups within the shire will be contacted to develop a database of volunteering opportunities which will be published on council website & facebook. 2019: 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			2019: Will be commenced 1 st 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			2019: On hold until next financial year 2020: Skills audit has not been completed but further progress will be made in 2021
5c. The community to benefit by access to more community grants								
5c(i) Review Council's Community Grants Scheme	EDO	Federal and State Governments	Report on review of Community Grants Scheme approved		x			2019: 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			2019: Will be commenced 1 st quarter 2020.
5c(iii) Facilitate capacity building for community groups	EDO		Capacity Building training workshops held and support provided		x	x	x	2019: On hold until new financial year. 2020: EDO continues to provide support for community groups within the Shire.
5c(iv) Distribute information regarding relevant grants availability amongst community groups	EDO		Info distributed via digital bi-monthly newsletter and other Council information platforms		x			2018: Information distributed through Council Corner, website & facebook.

5d. The community to be better informed of local issues and activities and have increased opportunity to participate in decision making.							
5d(i) Update Council Corner to better meet the needs of the community	GM	Community Progress Associations / Community Committees	New Council Corner published which meets the contemporary needs of the community	x			2018: Changes continuously made. Anecdotal feedback positive.
5d(ii) Update the Council website	GM		Council Website updated	x			2018: Incremental changes made. Website update plan developed. New website structure created. 2019: Website project commenced 2020: A website provider has been engaged to redevelop Council's website and this should be completed by December 2020.
5d(iii) General Manager to participate in community forums	GM		GM participating in community forums	x			2018: Participation occurs.
5d(iv) Community information sessions/exhibitions to be user friendly	GM		All Council community information session and exhibitions are user friendly	x			2018: No complaints received.
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 (DRG) formed and operating	x			2018: Has been formed, 1 st topic for comment will be regarding mobile library services. 2019: Group has been formed with invitations still open for participants.

Appendix 2



Annual Financial Statements

for the year ended 30 June 2021

Carrathool Shire Council

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2021



Carrathool Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2021



Carrathool Shire Council

General Purpose Financial Statements

for the year ended 30 June 2021

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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 B1-2.

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.

Carrathool Shire Council

General Purpose Financial Statements

for the year ended 30 June 2021

Understanding Council's Financial Statements

Introduction

Each year NSW local governments are required to present 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 2021.

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 2021

Statement by Councillors and Management

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:

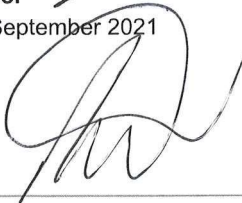
- present fairly the Council's operating result and financial position for the year,
- accord with Council's accounting and other records.

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

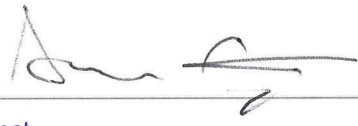
Signed in accordance with a resolution of Council made on 21 September 2021.



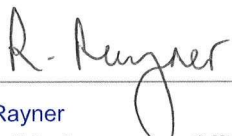
Cr Darryl Jardine
Mayor
21 September 2021



Rick Warren
General Manager
21 September 2021



Cr Scott Groat
Councillor
21 September 2021



Robert Rayner
Responsible Accounting Officer
21 September 2021

Carrathool Shire Council

Income Statement

for the year ended 30 June 2021

Original unaudited budget 2021	\$ '000	Notes	Actual 2021	Actual 2020
Income from continuing operations				
5,459	Rates and annual charges	B2-1	5,492	5,292
4,084	User charges and fees	B2-2	4,640	4,664
586	Other revenue	B2-3	812	582
10,512	Grants and contributions provided for operating purposes	B2-4	13,681	14,304
1,284	Grants and contributions provided for capital purposes	B2-4	3,573	6,707
216	Interest and investment income	B2-5	139	337
104	Net gains from the disposal of assets	B4-1	-	381
22,245	Total income from continuing operations		28,337	32,267
Expenses from continuing operations				
8,469	Employee benefits and on-costs	B3-1	7,809	7,991
5,995	Materials and services	B3-2	9,741	5,353
123	Borrowing costs	B3-3	118	146
8,126	Depreciation, amortisation and impairment for non-financial assets	B3-4	8,124	7,963
423	Other expenses	B3-5	417	322
-	Net losses from the disposal of assets	B4-1	166	-
23,136	Total expenses from continuing operations		26,375	21,775
(891)	Operating result from continuing operations		1,962	10,492
(891)	Net operating result for the year attributable to Council		1,962	10,492
(2,175)	Net operating result for the year before grants and contributions provided for capital purposes		(1,611)	3,785

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

Carrathool Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
Net operating result for the year – from Income Statement		1,962	10,492
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	<u>894</u>	<u>380</u>
Total items which will not be reclassified subsequently to the operating result		894	380
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		–	(56)
Other movements		–	785
Total items which will be reclassified subsequently to the operating result when specific conditions are met		–	729
Total other comprehensive income for the year		894	1,109
Total comprehensive income for the year attributable to Council		2,856	11,601

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

Carrathool Shire Council

Statement of Financial Position

as at 30 June 2021

\$ '000	Notes	2021	2020
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	12,464	10,415
Investments	C1-2	14,343	13,276
Receivables	C1-4	808	1,249
Inventories	C1-5	2,293	2,576
Total current assets		29,908	27,516
Non-current assets			
Receivables	C1-4	914	546
Infrastructure, property, plant and equipment	C1-6	229,981	224,857
Right of use assets	C2-1	–	15
Total non-current assets		230,895	225,418
Total assets		260,803	252,934
LIABILITIES			
Current liabilities			
Payables	C3-1	2,952	1,803
Contract liabilities	C3-2	4,652	603
Lease liabilities	C2-1	–	15
Borrowings	C3-3	287	390
Employee benefit provisions	C3-4	2,316	2,285
Total current liabilities		10,207	5,096
Non-current liabilities			
Borrowings	C3-3	2,866	3,153
Employee benefit provisions	C3-4	156	135
Provisions	C3-5	2,278	2,110
Total non-current liabilities		5,300	5,398
Total liabilities		15,507	10,494
Net assets		245,296	242,440
EQUITY			
Accumulated surplus	C4-1	127,167	125,205
IPPE revaluation reserve	C4-1	118,129	117,235
Council equity interest		245,296	242,440
Total equity		245,296	242,440

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

Carrathool Shire Council

Statement of Changes in Equity

for the year ended 30 June 2021

\$ '000	Notes	as at 30/06/21				as at 30/06/20			
		Accumulated surplus	IPPE revaluation reserve	Financial assets at FVOCI	Total equity	Accumulated surplus	IPPE revaluation reserve	Financial assets at FVOCI	Total equity
Opening balance at 1 July		125,205	117,235	–	242,440	114,369	116,855	56	231,280
Changes due to AASB 1058 and AASB 15 adoption		–	–	–	–	(441)	–	–	(441)
Restated opening balance		125,205	117,235	–	242,440	113,928	116,855	56	230,839
Net operating result for the year		1,962	–	–	1,962	10,492	–	–	10,492
Restated net operating result for the period		1,962	–	–	1,962	10,492	–	–	10,492
Other comprehensive income									
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	894	–	894	–	380	–	380
Gain/(loss) on revaluation of equity instruments at fair value through other comprehensive income		–	–	–	–	–	–	(56)	(56)
– Sale of Southern Phone Shares transferred to Accumulated Surplus		–	–	–	–	785	–	–	785
Other comprehensive income		–	894	–	894	785	380	(56)	1,109
Total comprehensive income		1,962	894	–	2,856	11,277	380	(56)	11,601
Closing balance at 30 June		127,167	118,129	–	245,296	125,205	117,235	–	242,440

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

Carrathool Shire Council

Statement of Cash Flows

for the year ended 30 June 2021

Original unaudited budget 2021	\$ '000	Notes	Actual 2021	Actual 2020
Cash flows from operating activities				
<i>Receipts:</i>				
5,459	Rates and annual charges		5,415	5,171
4,084	User charges and fees		4,990	5,101
216	Investment and interest revenue received		174	328
11,796	Grants and contributions		21,914	20,888
–	Bonds, deposits and retention amounts received		12	23
586	Other		2,052	2,213
<i>Payments:</i>				
(8,469)	Employee benefits and on-costs		(8,005)	(7,933)
(5,995)	Materials and services		(10,375)	(7,795)
(123)	Borrowing costs		(118)	(146)
(423)	Other		(182)	(322)
7,131	Net cash flows from operating activities	G1-1	15,877	17,528
Cash flows from investing activities				
<i>Receipts:</i>				
–	Redemption of term deposits		7,933	–
1,135	Sale of infrastructure, property, plant and equipment		1,430	1,127
–	Sale of shares in companies		–	785
–	Deferred debtors receipts		–	126
<i>Payments:</i>				
–	Purchase of investment securities		–	(1,175)
–	Acquisition of term deposits		(9,000)	–
(6,250)	Purchase of infrastructure, property, plant and equipment		(13,786)	(16,029)
(5,115)	Net cash flows from investing activities		(13,423)	(15,166)
Cash flows from financing activities				
<i>Receipts:</i>				
–	Proceeds from borrowings		–	550
<i>Payments:</i>				
(388)	Repayment of borrowings		(390)	(331)
(15)	Principal component of lease payments		(15)	(14)
(403)	Net cash flows from financing activities		(405)	205
1,613	Net change in cash and cash equivalents		2,049	2,567
7,848	Cash and cash equivalents at beginning of year		10,415	7,848
9,461	Cash and cash equivalents at end of year	C1-1	12,464	10,415
14,343	plus: Investments on hand at end of year	C1-2	14,343	13,276
23,804	Total cash, cash equivalents and investments		26,807	23,691

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

Carrathool Shire Council

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Carrathool Shire Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 21 September 2021. 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.

In considering the impact of COVID-19, an organisation-wide examination has been undertaken. This includes ensuring that Council has both a business continuity plan and a disaster recovery plan which assess both possible operational impacts and any resultant financial implications. The financial impact of COVID-19 during 2020/21 has been assessed and found to be immaterial at this time. Council will continue to review and update any required actions during 2021/22.

AASB 1059 *Service Concession Arrangements: Grantor* is effective for financial reporting periods commencing on or after 1 January 2020. Therefore, for Carrathool Shire Council AASB 1059 will be effective from 1 July 2020.

Based on Council's assessment, the first-time adoption of AASB 1059 has had no impact on the transactions and balances recognised in the financial statements for the year ended 30 June 2021.

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 B5-1 – Material budget variations

and are clearly marked.

Historical cost convention

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

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 C1-6
- (ii) estimated gravel pit remediation provisions – refer Note C3-5
- (iii) employee benefit provisions – refer Note C3-4.

A1-1 Basis of preparation (continued)

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 C1-4.

Monies and other assets received by Council

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

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.

Volunteer services

Council receives some volunteer services in the area of community services. These volunteer services are not recognised within the financial statements as they are not considered to be material.

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 (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2021 reporting period.

Council has elected not to apply any of these pronouncements in these financial statements before their operative dates.

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 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date

This Standard amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

A1-1 Basis of preparation (continued)

For example the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.

Council does not expect any material impact from the above amendments and to its classification of liabilities as current or non-current.

This standard has an effective date for the 30 June 2024 reporting period.

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018 -2020 and Other Amendments

This Standard amends a number of standards as follows:

- AASB 1 to simplify the application of AASB 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences,
- AASB 3 to update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations,
- AASB 9 to clarify the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability,
- AASB 116 to require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in profit or loss, instead of deducting the amounts received from the cost of the asset,
- AASB 137 to specify the costs that an entity includes when assessing whether a contract will be loss-making and
- AASB 141 to remove the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards.

Council does not expect any material impact from the above amendments.

This standard has an effective date for the 30 June 2023 reporting period.

B Financial Performance

B1 Functions or activities

B1-1 Functions or activities – income, expenses and assets

Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note B1-2.

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Functions or activities										
Governance	10	10	529	555	(519)	(545)	–	–	–	–
Administration	329	720	2,969	2,354	(2,640)	(1,634)	13	2	32,308	27,440
Public Order and Safety	258	294	578	492	(320)	(198)	246	263	707	696
Health	355	317	504	487	(149)	(170)	–	–	1,192	1,181
Environment	208	72	332	324	(124)	(252)	207	71	4,463	3,225
Community Services and Education	894	991	723	809	171	182	895	940	42	33
Housing and Community Amenities	892	637	1,079	1,082	(187)	(445)	322	316	3,846	3,628
Water Supplies	2,311	2,357	2,389	2,393	(78)	(36)	7	–	40,998	40,821
Sewerage Services	596	470	313	386	283	84	5	–	4,714	4,444
Recreation and Culture	1,511	553	1,844	1,594	(333)	(1,041)	1,473	1,303	10,128	9,774
Mining, Manufacturing and Construction	24	–	(98)	(176)	122	176	24	–	2,040	2,576
Transport & Communication	9,792	13,693	14,266	10,212	(4,474)	3,481	13,863	11,156	158,549	157,684
Economic Affairs	1,128	2,119	947	1,263	181	856	199	647	1,816	1,432
General Purpose Income	10,029	10,034	–	–	10,029	10,034	–	6,313	–	–
Total functions and activities	28,337	32,267	26,375	21,775	1,962	10,492	17,254	21,011	260,803	252,934

B1-2 Components of functions or activities

Details relating to the Council's functions or activities as reported in B1-1 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.

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.

B1-2 Components of functions or activities (continued)

General Purpose Income

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

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2021	2020
Ordinary rates		
Residential	366	356
Farmland	2,963	2,885
Business	220	216
Less: pensioner rebates (mandatory)	(27)	(26)
Rates levied to ratepayers	3,522	3,431
Pensioner rate subsidies received	15	14
Total ordinary rates	3,537	3,445
Annual charges		
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>		
Domestic waste management services	357	355
Water supply services	1,007	955
Sewerage services	511	461
Waste management services (non-domestic)	83	83
Less: pensioner rebates (mandatory)	(31)	(33)
Sullage – Rankins Springs	10	9
Annual charges levied	1,937	1,830
Pensioner subsidies received:		
– Water	7	7
– Sewerage	5	5
– Domestic waste management	6	5
Total annual charges	1,955	1,847
Total rates and annual charges	5,492	5,292

Council has used 2020 year valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy

Rates and annual charges are recognised as revenue at the beginning of the rating period to which they relate. Prepaid rates are recognised as a financial liability until the beginning of the rating period.

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 and are recognised within the underlying revenue item based on their substance.

B2-2 User charges and fees

\$ '000	Timing	2021	2020
Specific user charges			
(per s.502 - specific 'actual use' charges)			
Water supply services	2	1,333	1,458
Total specific user charges		1,333	1,458
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Planning and building regulation	2	29	18
Private works – section 67	2	374	196
Registration fees	2	12	31
Section 10.7 certificates (EP&A Act)	2	10	12
Section 603 certificates	2	7	6
Tapping fees	2	4	–
Town planning	2	59	57
Total fees and charges – statutory/regulatory		495	320
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Caravan park	2	482	406
Cemeteries	2	15	21
Rent	2	64	72
Leaseback fees – Council vehicles	2	71	75
RMS charges (state roads not controlled by Council)	2	1,960	2,064
Sundry sales	2	3	1
Swimming centres	2	20	20
Admission and service fees	2	121	125
Community transport and other HACC services	2	27	33
Library	2	6	9
Sundry – risk management	2	33	50
Waste disposal tipping fees (sales waste materials)	2	10	10
Total fees and charges – other		2,812	2,886
Total user charges and fees		4,640	4,664
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		–	–
User charges and fees recognised at a point in time (2)		4,640	4,664
Total user charges and fees		4,640	4,664

Accounting policy

Revenue arising from user charges and fees is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

The performance obligation relates to the specific services which are provided to the customers and generally the payment terms are within 30 days of the provision of the service or in some cases such as caravan parks, the customer is required to pay on arrival or a deposit in advance. There is no material obligation for Council in relation to refunds or returns.

Where an upfront fee is charged such as joining fees for the leisure centre the fee is recognised on a straight-line basis over the expected life of the membership.

Licences granted by Council are all either short-term or low value and all revenue from licences is recognised at the time that the licence is granted rather than over the term of the licence.

B2-3 Other revenue

\$ '000	Timing	2021	2020
Rental income – other council properties	2	95	39
Diesel rebate	2	198	188

B2-3 Other revenue (continued)

\$ '000	Timing	2021	2020
Insurance claims recoveries	2	62	–
Sales – general (GWCC)	2	24	–
Road incidents reimbursements	2	–	50
Other	2	18	21
Medical centre	2	336	284
Pressure sewer connections	2	79	–
Total other revenue		812	582

Timing of revenue recognition for other revenue

Other revenue recognised over time (1)		–	–
Other revenue recognised at a point in time (2)		812	582
Total other revenue		812	582

Accounting policy for other revenue

Where the revenue is earned for the provision of specified goods / services under an enforceable contract, revenue is recognised when or as the obligations are satisfied.

Statutory fees and fines are recognised as revenue when the service has been provided, the payment is received or when the penalty has been applied, whichever occurs first.

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

B2-4 Grants and contributions

\$ '000	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	2	1,906	1,902	–	–
Financial assistance – local roads component	2	1,162	1,162	–	–
Payment in advance - future year allocation					
Financial assistance – general component	2	2,039	2,015	–	–
Financial assistance – local roads component	2	1,248	1,234	–	–
Amount recognised as income during current year		6,355	6,313	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Previously specific grants:					
Pensioners' rates subsidies:					
Employment and training programs	1	13	2	–	–
Environmental programs	1	–	28	–	–
Floodplain management	2	25	–	–	–
Library – per capita	2	67	66	–	–
Library – special projects	2	1	2	196	–
Noxious weeds	1	112	48	–	–
NSW rural fire services	1	246	183	–	76
Recreation and culture	1	298	633	–	670
Storm/flood damage	2	191	–	–	–
Community care (HACC and other services)	1	768	872	–	–
Drought Communities Program	1	907	344	–	–
Planning Portal	2	24	–	–	–
Levee bank	2	70	–	–	–
Other	1	199	–	146	303
Street lighting	2	53	–	–	–
Transport (roads to recovery)	1	2,836	4,370	–	–
Transport (other roads and bridges funding)	1	–	–	1,341	5,293
Other specific grants	1	11	–	–	–
Previously contributions:					
Community services	2	8	–	–	–
Transport for NSW contributions (regional roads, block grant)	1	1,438	1,439	407	365
Hall c'ttees – m'tce and capital works	2	–	–	13	–
Local Roads & Community Infrastructure	1	–	–	1,470	–
Total special purpose grants and non-developer contributions – cash		7,267	7,987	3,573	6,707
Total special purpose grants and non-developer contributions (tied)		7,267	7,987	3,573	6,707
Total grants and non-developer contributions		13,622	14,300	3,573	6,707
Comprising:					
– Commonwealth funding		10,286	11,203	146	2,887
– State funding		3,336	1,658	3,414	3,455
– Other funding		–	1,439	13	365
		13,622	14,300	3,573	6,707

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.12 – fixed development consent levies	2	59	4	–	–
Total developer contributions – cash		59	4	–	–
Total developer contributions		59	4	–	–
Total contributions		59	4	–	–
Total grants and contributions		13,681	14,304	3,573	6,707
Timing of revenue recognition for grants and contributions					
Grants and contributions recognised over time (1)		6,828	7,919	3,364	6,707
Grants and contributions recognised at a point in time (2)		6,853	6,385	209	–
Total grants and contributions		13,681	14,304	3,573	6,707

B2-4 Grants and contributions (continued)

Unspent grants and contributions

Certain grants and contributions are obtained by Council on the condition they be spent in a specified manner or in a future period but which are not yet spent in accordance with those conditions are as follows:

\$ '000	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Unspent grants and contributions				
Unspent funds at 1 July	18	167	–	292
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	115	–	4,537	–
Less: Funds received in prior year but revenue recognised and funds spent in current year	(6)	(149)	–	(292)
Unspent funds at 30 June	127	18	4,537	–

Major unspent grant details are:

Fixing Local Roads \$3,552

Fixing Country Bridges \$475k

Stronger Country Communities \$147k

Contributions

Unspent funds at 1 July	316	312	–	–
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	59	4	–	–
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	–	–
Unspent contributions at 30 June	375	316	–	–

Developer Contributions \$375k

Accounting policy

Grants and contributions – enforceable agreement with sufficiently specific performance obligations

Grant and contribution revenue from an agreement which is enforceable and contains sufficiently specific performance obligations is recognised as or when control of each performance obligations is transferred.

The performance obligations vary according to the agreement but include drought funding road works and various infrastructure projects. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Performance obligations may be satisfied either at a point in time or over time and this is reflected in the revenue recognition pattern. Point in time recognition occurs when the beneficiary obtains control of the goods / services at a single time (e.g. completion of the project when a report / outcome is provided), whereas over time recognition is where the control of the services is ongoing throughout the project (e.g. provision of community health services through the year).

Where control is transferred over time, generally the input methods being either costs or time incurred are deemed to be the most appropriate methods to reflect the transfer of benefit.

Capital grants

Capital grants received by Council under an enforceable contract for the acquisition or construction of infrastructure, property, plant and equipment to identified specifications which will be under Council's control on completion are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project.

For acquisitions of assets, the revenue is recognised when the asset is acquired and controlled by the Council.

B2-4 Grants and contributions (continued)

Developer contributions

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* (EP&A Act).

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 Council may apply contributions according to the priorities established in work schedules for the contribution plan.

Other grants and contributions

Assets, including cash, received from other grants and contributions are recognised at fair value when the asset is received. Council considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

Once the assets and liabilities have been recognised then income is recognised for any remaining asset value at the time that the asset is received.

B2-5 Interest and investment income

\$ '000	2021	2020
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	4	44
– Cash and investments	135	266
– Other	–	27
Total interest and investment income (losses)	139	337
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	2	21
General Council cash and investments	135	293
Restricted investments/funds – external:		
Water fund operations	2	20
Sewerage fund operations	–	3
Total interest and investment income	139	337

Accounting policy

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 when the shareholder's right to receive payment is established unless the dividend clearly represents a recovery of part of the cost of the investment.

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2021	2020
Salaries and wages	6,011	6,020
Employee termination costs	119	185
Travel expenses	202	235
Employee leave entitlements (ELE)	919	1,100
Superannuation	716	686
Workers' compensation insurance	186	145
Fringe benefit tax (FBT)	58	58
Training costs (other than salaries and wages)	86	114
Protective clothing	48	29
Other	22	19
Total employee costs	8,367	8,591
Less: capitalised costs	(558)	(600)
Total employee costs expensed	7,809	7,991
Number of 'full-time equivalent' employees (FTE) at year end	105	100

Accounting policy

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 E3-1 for more information.

B3-2 Materials and services

\$ '000	Notes	2021	2020
Raw materials and consumables		8,600	4,004
Audit Fees	F2-1	35	73
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	F1-2	137	156
Advertising		45	35
Bank charges		17	15
Electricity and heating		436	548
Postage		13	13
Printing and stationery		18	20
Street lighting		52	53
Subscriptions and publications		19	13
Telephone and communications		64	49
Tourism expenses (excluding employee costs)		13	17
Valuation fees		16	14
Insurance (excluding workers compensation)		244	225
Scholarship bursary		6	6
Other		10	91
Legal expenses:			
– Legal expenses: general		4	9
Expenses from leases of low value assets		6	6
Variable lease expense relating to usage		6	6
Total materials and services		9,741	5,353
Total materials and services		9,741	5,353

Accounting policy

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

B3-3 Borrowing costs

\$ '000	2021	2020
(i) Interest bearing liability costs		
Interest on leases	2	2
Interest on loans	116	144
Total interest bearing liability costs	118	146
Total interest bearing liability costs expensed	118	146
Total borrowing costs expensed	118	146

Accounting policy

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 as incurred.

B3-4 Depreciation, amortisation and impairment of non-financial assets

\$ '000	Notes	2021	2020
Depreciation and amortisation			
Plant and equipment		877	897
Office equipment		60	51
Furniture and fittings		–	2
Land improvements (depreciable)		26	27
Infrastructure: ^{C1-6}			
– Buildings – non-specialised		199	235
– Buildings – specialised		27	30
– Roads		5,124	5,119
– Bridges		256	126
– Footpaths		68	67
– Stormwater drainage		24	24
– Water supply network		1,000	951
– Sewerage network		130	119
– Swimming pools		64	52
– Other open space/recreational assets		135	87
– Other infrastructure		40	40
Right of use assets	C2-1	15	14
Other assets:			
– Library books		11	10
– Other		68	112
Total gross depreciation and amortisation costs		8,124	7,963
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT FOR IPP&E			
		8,124	7,963

Accounting policy

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 C1-6 for IPPE assets and Note C2-1 for right of use 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.

Intangible assets that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other non-financial 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.

B3-5 Other expenses

\$ '000	2021	2020
Other		
Contributions/levies to other levels of government		
– NSW fire brigade levy	26	18
– NSW rural fire service levy	302	212
– Regional library	24	23
– Shires association; RAMJO and other organisations	28	34
Donations, contributions and assistance to other organisations (Section 356)	37	35
Total other expenses	417	322

Accounting policy

Other expenses are recorded on an accruals basis when Council has an obligation for the expenses.

Impairment expenses are recognised when identified.

B4 Gains or losses**B4-1 Gain or loss from the disposal, replacement and de-recognition of assets**

\$ '000	Notes	2021	2020
Gain (or loss) on disposal of plant and equipment	C1-6		
Proceeds from disposal – plant and equipment		1,430	1,127
Less: carrying amount of plant and equipment assets sold/written off		<u>(1,491)</u>	<u>(684)</u>
Gain (or loss) on disposal		<u>(61)</u>	<u>443</u>
Gain (or loss) on disposal of infrastructure	C1-6		
Less: carrying amount of infrastructure assets sold/written off		<u>(105)</u>	<u>(62)</u>
Gain (or loss) on disposal		<u>(105)</u>	<u>(62)</u>
Gain (or loss) on disposal of term deposits	C1-2		
Proceeds from disposal/redemptions/maturities – term deposits		–	–
Less: carrying amount of term deposits sold/redeemed/matured		<u>–</u>	<u>–</u>
Gain (or loss) on disposal		<u>–</u>	<u>–</u>
Net gain (or loss) on disposal of assets		<u>(166)</u>	<u>381</u>

Accounting policy

Gains and losses on disposals are determined by comparing proceeds with carrying amount. 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.

B5 Performance against budget

B5-1 Material budget variations

Council's original budget was adopted by the Council on 16/06/2020 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

While these General Purpose Financial Statements include the original budget adopted by Council, the Act requires Council to review its financial budget on a quarterly basis, so it is able to manage the variation between actuals and budget that invariably occur during the year.

Material variations of more than 10% between original budget and actual results or where the variance is considered material by nature are explained below.

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

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----	
REVENUES				
Rates and annual charges	5,459	5,492	33	1% F
User charges and fees	4,084	4,640	556	14% F
The undertaking of additional unplanned works for the RMCC of \$145K and RMS Special Work Orders of \$485K plus additional private works of \$159K increased Council's income. This was offset by a reduction in water consumption charges of \$200K.				
Other revenues	586	812	226	39% F
Additional income was received from increased Council rental charges of \$97K, Pressure Sewer Connections of \$79K, Insurance Claims exceeding the budget by \$57K and Australia Post income which wasn't budgeted of \$10K.				
Operating grants and contributions	10,512	13,681	3,169	30% F
Council have received a number of operational grants that were not originally budgeted in the 2020/21 financial year. These include flood damage restoration works \$191K, Stronger Country Communities Fund Round 2 \$486K, Drought Communities Programme Round 1 \$907K and Riverbank Stabilisation project and Hillston Floodplain Study totalling \$95K. Additional funding above the budgeted values were also received for Roads to Recovery funding of \$1,671K.				
Capital grants and contributions	1,284	3,573	2,289	178% F
The receipt of additional grant funding from numerous sources increased Council's income in this area. This included \$175K from Fixing Local Bridges, Fixing Local Roads \$1,166K, Stronger Country Communities Funding Round 3 \$146K, Local Roads and Community Infrastructure (LRCI) Round 1 \$1,300K and LRCI Round 2 \$170K. This was also offset by the non receipt of the budgeted capital grants for Rural Fire Service Sheds \$170K and the Heavy Vehicle Safety Program of \$500K.				
Interest and investment revenue	216	139	(77)	(36)% U
The massive downturn in the RBA cash rate has seen Council's term deposits returns being a lot lower than budgeted.				
Net gains from disposal of assets	104	-	(104)	(100)% U
The net returns on plant and equipment budgeted for were not realised due to market conditions.				
EXPENSES				
Employee benefits and on-costs	8,469	7,809	660	8% F
Materials and services	5,995	9,741	(3,746)	(62)% U
There has been an increase in operational expenditure during 2020/21 due to flood restoration works on regional and local roads totalling \$4,154 K				
Borrowing costs	123	118	5	4% F
Depreciation, amortisation and impairment of non-financial assets	8,126	8,124	2	0% F

B5-1 Material budget variations (continued)

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----		
Other expenses	423	417	6	1%	F
Net losses from disposal of assets	-	166	(166)	∞	U

Some infrastructure assets were renewed and scrapped giving an unbudgeted loss of \$105 K. The remaining loss was from the sale of plant and equipment which did not realise the expected return to Council.

B5-1 Material budget variations (continued)

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----	
STATEMENT OF CASH FLOWS				
Cash flows from operating activities	7,131	15,877	8,746	123% F
This budget has been impacted largely by the increase in operating and capital grants as well as an increase in user charges and fees as detailed above in the revenue details. Due to the increases in operational grants the increase in expenses in materials and services has also impacted the result. The other adjustment is in other revenues detailed above and also includes the adjustment for GST refunds from the ATO, which was not factored into the cashflow budget originally.				
Cash flows from investing activities	(5,115)	(13,423)	(8,308)	162% U
This budgeted has been impacted by the higher level of capital expenditure this financial year due to the receipt of increased grant funding.				
Cash flows from financing activities	(403)	(405)	(2)	0% U

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2021	2020
Cash and cash equivalents		
Cash on hand and at bank	211	416
Cash-equivalent assets		
– Deposits at call	4,082	3,029
– Short-term deposits	8,171	6,970
Total cash and cash equivalents	12,464	10,415

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	12,464	10,415
Balance as per the Statement of Cash Flows	12,464	10,415

Accounting policy

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.

C1-2 Financial investments

\$ '000	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
Debt securities at amortised cost				
Long term deposits	14,343	–	13,276	–
Total	14,343	–	13,276	–
Total financial investments	14,343	–	13,276	–
Total cash assets, cash equivalents and investments	26,807	–	23,691	–

Accounting policy

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, term deposits and cash and cash equivalents in the Statement of Financial Position. Term deposits with an initial term of more than 3 months are classified as investments rather than cash and cash equivalents.

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 number of strategic investments in entities 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.

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.

C1-3 Restricted cash, cash equivalents and investments

\$ '000	2021		2020	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	26,807	–	23,691	–
attributable to:				
External restrictions	9,059	–	4,416	–
Internal restrictions	13,757	–	13,484	–
Unrestricted	3,991	–	5,791	–
	26,807	–	23,691	–

\$ '000	2021	2020
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Details of restrictions

External restrictions – included in liabilities

Specific purpose unexpended loans – general	250	250
Specific purpose unexpended grants – general fund	4,664	18
Security deposits	48	58
External restrictions – included in liabilities	4,962	326

External restrictions – other

External restrictions included in cash, cash equivalents and investments above comprise:

Developer contributions – general	375	316
Water fund	2,929	3,169
Sewer fund	793	605
External restrictions – other	4,097	4,090

Total external restrictions

	9,059	4,416
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Internal restrictions

Council has internally restricted cash, cash equivalents and investments as follows:

Plant and vehicle replacement	1,100	1,100
Employees leave entitlement	1,592	1,542
Buildings	479	498
Carry over works	292	1,097
Council dwellings	71	20
Gravel pits reserve	1,835	1,649
Hillston caravan park	438	305
Local roads	2,933	2,296
Office furniture	15	15
Road warranty fund	350	350
Staff training	25	25
Tips remediation	174	174
Tourism	41	41
Hillston Community Hall	96	94
FAGS in Advance	3,287	3,249
Tips Capital Reserve	93	93
Grant Reserve	150	150
Development reserve	786	786
Total internal restrictions	13,757	13,484

Total restrictions

	22,816	17,900
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Internal restrictions over cash, cash equivalents and investments are those assets restricted only by a resolution of the elected Council.

C1-4 Receivables

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Purpose				
Rates and annual charges	215	402	320	290
Interest and extra charges	4	53	37	49
User charges and fees	131	98	161	92
Accrued revenues				
– Interest on investments	17	–	36	–
– Other income accruals	120	–	53	–
Net investment in finance lease	–	–	–	–
Government grants and subsidies	–	164	628	–
Net GST receivable	256	–	111	–
Hillston sewer pressure system	–	28	–	4
Kerb & Guttering	–	4	–	6
Other debtors – various	152	165	43	105
Workers compensation claims	12	–	4	–
Total	907	914	1,393	546
Less: provision of impairment				
Rates and annual charges	(62)	–	(87)	–
Interest and extra charges	(11)	–	(24)	–
User charges and fees	(23)	–	(28)	–
Other debtors	(3)	–	(5)	–
Total provision for impairment – receivables	(99)	–	(144)	–
Total net receivables	808	914	1,249	546
Externally restricted receivables				
Water supply				
– Rates and availability charges	143	268	91	90
– Other	(273)	283	182	105
Sewerage services				
– Rates and availability charges	29	54	49	20
– Other	(72)	101	–	4
Total external restrictions	(173)	706	322	219
Unrestricted receivables	981	208	927	327
Total net receivables	808	914	1,249	546
<hr/>				
\$ '000			2021	2020
Movement in provision for impairment of receivables				
Balance at the beginning of the year (Amount restated on adoption of AASB 9)			99	144
Balance at the end of the year			99	144

C1-4 Receivables (continued)

Accounting policy

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.

Impairment

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.

Council uses the simplified approach for trade receivables where the expected lifetime credit losses are recognised on day 1.

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.

Rates and annual charges outstanding are secured against the property.

C1-5 Inventories

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
(i) Inventories at cost				
Real estate for resale	–	–	159	–
Stores and materials	2,293	–	2,417	–
Total inventories at cost	2,293	–	2,576	–
Total inventories	2,293	–	2,576	–

Externally restricted assets

There are no restrictions applicable to the above assets.

(i) Other disclosures

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
(a) Details for real estate development				
Residential	–	–	159	–
Total real estate for resale	–	–	159	–

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

Represented by:

Acquisition costs	–	–	159	–
Total costs	–	–	159	–
Total real estate for resale	–	–	159	–
Movements:				
Real estate assets at beginning of the year	159	–	159	–
– Purchases and other costs	(159)	–	–	–
Total real estate for resale	–	–	159	–

(b) Current inventories not anticipated to be settled within the next 12 months

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

\$ '000	2021	2020
Real estate for resale	–	159
	–	159

C1-5 Inventories (continued)

Accounting policy

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.

C1-6 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2020			Asset movements during the reporting period							At 30 June 2021		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000													
Capital work in progress	66	–	66	1,973	242	–	–	(66)	–	–	2,215	–	2,215
Plant and equipment	13,431	(6,262)	7,169	3,112	–	(1,491)	(877)	–	–	–	14,141	(6,229)	7,912
Office equipment	1,725	(1,471)	254	26	2	–	(60)	–	–	–	1,754	(1,532)	222
Furniture and fittings	447	(435)	12	–	–	–	–	–	–	–	448	(436)	12
Land:													
– Operational land	1,234	–	1,234	142	–	–	–	–	–	–	1,376	–	1,376
– Community land	1,911	–	1,911	–	–	–	–	–	–	–	1,911	–	1,911
Land improvements – depreciable	1,195	(485)	710	89	–	–	(26)	–	–	1,633	3,128	(721)	2,407
Infrastructure:													
– Buildings – non-specialised	27,352	(15,101)	12,251	173	96	–	(199)	19	–	–	27,640	(15,301)	12,339
– Buildings – specialised	1,995	(1,074)	921	113	–	–	(27)	–	–	–	2,108	(1,101)	1,007
– Other structures	22	–	22	–	9	–	–	–	–	–	31	(1)	30
– Roads	180,399	(52,482)	127,917	4,376	1,164	(33)	(5,124)	–	(7,935)	–	151,759	(31,394)	120,365
– Bridges	25,638	(5,531)	20,107	–	–	–	(256)	–	–	3,612	27,926	(4,463)	23,463
– Footpaths	1,712	(339)	1,373	36	44	–	(68)	4	–	612	2,355	(355)	2,000
– Stormwater drainage	2,255	(937)	1,318	–	–	–	(24)	–	–	1,160	3,587	(1,133)	2,454
– Water supply network	65,808	(28,623)	37,185	848	–	(54)	(1,000)	–	–	350	67,139	(29,810)	37,329
– Sewerage network	6,962	(3,265)	3,697	93	53	–	(130)	–	(1)	34	7,172	(3,427)	3,745
– Swimming pools	4,022	(1,199)	2,823	76	–	–	(64)	–	–	–	4,098	(1,263)	2,835
– Other open space/recreational assets	4,253	(1,473)	2,780	402	136	–	(135)	35	–	–	4,826	(1,608)	3,218
– Other infrastructure	1,860	(225)	1,635	–	–	–	(40)	–	–	–	1,860	(266)	1,594
Other assets:													
– Library books	238	(186)	52	21	–	–	(11)	–	–	–	259	(197)	62
– Other	3,886	(2,466)	1,420	412	117	–	(68)	8	–	–	4,423	(2,535)	1,888
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):													
– Tip assets	–	–	–	168	–	–	–	–	–	141	309	–	309
– Quarry assets	–	–	–	–	–	–	–	–	–	1,288	1,969	(681)	1,288
Total infrastructure, property, plant and equipment	346,411	(121,554)	224,857	12,060	1,863	(1,578)	(8,109)	–	(7,936)	8,830	332,434	(102,453)	229,981

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

C1-6 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2019			Asset movements during the reporting period						At 30 June 2020		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000												
Capital work in progress	12,102	–	12,102	42	24	–	–	(12,102)	–	66	–	66
Plant and equipment	13,303	(6,848)	6,455	2,293	4	(684)	(897)	–	–	13,431	(6,262)	7,169
Office equipment	1,662	(1,420)	242	54	–	–	(51)	7	–	1,725	(1,471)	254
Furniture and fittings	445	(433)	12	–	2	–	(2)	–	–	447	(435)	12
Land:												
– Operational land	1,223	–	1,223	–	11	–	–	–	–	1,234	–	1,234
– Community land	1,911	–	1,911	–	–	–	–	–	–	1,911	–	1,911
Land improvements – depreciable	1,152	(458)	694	43	–	–	(27)	–	–	1,195	(485)	710
Infrastructure:												
– Buildings – non-specialised	27,259	(14,894)	12,365	122	–	(5)	(235)	–	–	27,352	(15,101)	12,251
– Buildings – specialised	1,988	(1,044)	944	7	–	–	(30)	–	–	1,995	(1,074)	921
– Other structures	15	–	15	–	7	–	–	–	–	22	–	22
– Roads	174,617	(47,363)	127,254	5,041	645	–	(5,119)	96	–	180,399	(52,482)	127,917
– Bridges	12,589	(5,405)	7,184	–	2,201	–	(126)	10,847	–	25,638	(5,531)	20,107
– Footpaths	1,694	(279)	1,415	34	–	(9)	(67)	–	–	1,712	(339)	1,373
– Stormwater drainage	2,254	(913)	1,341	2	–	–	(24)	–	–	2,255	(937)	1,318
– Water supply network	64,868	(27,516)	37,352	406	68	(47)	(951)	11	346	65,808	(28,623)	37,185
– Sewerage network	6,829	(3,115)	3,714	40	28	–	(119)	–	34	6,962	(3,265)	3,697
– Swimming pools	3,502	(1,147)	2,355	313	–	–	(52)	207	–	4,022	(1,199)	2,823
– Other open space/recreational assets	2,702	(1,383)	1,319	595	73	–	(87)	890	–	4,253	(1,473)	2,780
– Other infrastructure	1,860	(185)	1,675	–	–	–	(40)	–	–	1,860	(225)	1,635
Other assets:												
– Library books	224	(176)	48	–	13	–	(10)	–	–	238	(186)	52
– Other	3,288	(2,356)	932	324	230	–	(112)	44	–	3,886	(2,466)	1,420
Total infrastructure, property, plant and equipment	335,487	(114,935)	220,552	9,316	3,306	(745)	(7,949)	–	380	346,411	(121,554)	224,857

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

C1-6 Infrastructure, property, plant and equipment (continued)

Accounting policy

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 at significantly below fair value, the assets are initially recognised at their fair value at acquisition date.

Land is not depreciated. 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:

Plant and equipment	Years	Other equipment	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	Buildings	
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
		Stormwater assets	
Water and sewer assets		Drains	70 to 100
Dams and reservoirs	80 to 100	Culverts	50 to 80
Bores	20 to 40	Flood control structures	80 to 100
Reticulation pipes: PVC	70 to 80		
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 20		
		Other infrastructure assets	
Transportation assets		Bulk earthworks	Infinite
Sealed roads: surface	18	Swimming pools	50 to 100
Sealed roads: structure	90		
Unsealed roads	20	Other open space/recreational assets	10 to 20
Bridge: concrete	100	Other infrastructure	25 to 100
Bridge: other	50		
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. Land under roads acquired after 1 July 2008 is recognised in accordance with the IPPE accounting policy.

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.

C1-6 Infrastructure, property, plant and equipment (continued)

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.

Council does not recognise Rural Fire Service plant and equipment that is not in its control when applying the SAC 4 definition of control of an asset - "the capacity of the entity to benefit from the asset in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit".

Externally restricted infrastructure, property, plant and equipment

\$ '000	as at 30/06/21			as at 30/06/20		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
Water supply						
Plant and equipment	173	170	3	170	170	–
Infrastructure	67,139	29,810	37,329	65,808	28,623	37,185
Total water supply	67,312	29,980	37,332	65,978	28,793	37,185
Sewerage services						
Plant and equipment	70	32	38	70	26	44
Infrastructure	7,172	3,427	3,745	6,962	3,265	3,697
Total sewerage services	7,242	3,459	3,783	7,032	3,291	3,741
Total restricted infrastructure, property, plant and equipment	74,554	33,439	41,115	73,010	32,084	40,926

C2 Leasing activities

C2-1 Council as a lessee

Council has leases over one piece of land and one item of office equipment. Both leases expire in the coming 12 months. Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases

Office Equipment - One folding machine. Lease expires 2020/21.

Land - Partial Stan Peters Oval. Lease expires 2020/21.

(a) Right of use assets

\$ '000	Office Equipment	Land	Total
2021			
Opening balance at 1 July	7	8	15
Depreciation charge	(7)	(8)	(15)
Balance at 30 June	—	—	—
2020			
Opening balance at 1 July	—	—	—
Adoption of AASB 16 at 1 July 2019 – first time lease recognition	13	16	29
Depreciation charge	(6)	(8)	(14)
Balance at 30 June	7	8	15

(b) Lease liabilities

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Lease liabilities	—	—	15	—
Total lease liabilities	—	—	15	—

(c) (i) The maturity analysis

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
2020					
Cash flows	15	—	—	15	15

(ii) Lease liabilities relating to restricted assets

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Total lease liabilities relating to unrestricted assets	—	—	15	—
Total lease liabilities	—	—	15	—

C2-1 Council as a lessee (continued)

(d) Income Statement

The amounts recognised in the Income Statement relating to leases where Council is a lessee are shown below:

\$ '000	2021	2020
Interest on lease liabilities	2	2
Variable lease payments based on usage not included in the measurement of lease liabilities	12	6
Depreciation of right of use assets	15	14
Expenses relating to low-value leases	12	6
	41	28

(e) Statement of Cash Flows

Total cash outflow for leases	15	14
	15	14

(f) Leases at significantly below market value – concessionary / peppercorn leases

Council has a number of leases at significantly below market for land and buildings which are used for:

- child care centre
- community meetings
- communication

The leases are generally between 1 and 5 years and require payments of a maximum amount of \$1,000 per year. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

Council does not believe that any of the leases in place are individually material from a statement of financial position or performance perspective.

At inception of a contract, Council assesses whether a lease exists – i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration?

Council has elected not to separate non-lease components from lease components for any class of asset and has accounted for payments as a single component.

At the lease commencement, Council recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where Council believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives. The right-of-use is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured when there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

Exceptions to lease accounting

C2-1 Council as a lessee (continued)

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases at significantly below market value / concessionary leases

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.

C3 Liabilities of Council

C3-1 Payables

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Payables				
Goods and services – operating expenditure	1,797	–	445	–
Goods and services – capital expenditure	100	–	110	–
Accrued expenses:				
– Borrowings	5	–	5	–
– Salaries and wages	88	–	320	–
– Other expenditure accruals	71	–	177	–
Security bonds, deposits and retentions	39	–	27	–
Security deposits	25	–	35	–
Suspense Accounts	55	–	5	–
Home Care Packages	484	–	478	–
Government departments and agencies	117	–	–	–
Prepaid rates	156	–	201	–
Other	15	–	–	–
Total payables	2,952	–	1,803	–
Total payables	2,952	–	1,803	–

Payables relating to restricted assets

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Externally restricted assets				
Water	–	–	1	–
Sewer	1	–	1	–
Payables relating to externally restricted assets	1	–	2	–
Total payables relating to restricted assets	1	–	2	–
Total payables relating to unrestricted assets	2,951	–	1,801	–
Total payables	2,952	–	1,803	–

C3-1 Payables (continued)

Current payables not anticipated to be settled within the next twelve months

\$ '000	2021	2020
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)	64	199
Total payables	64	199

C3-1 Payables (continued)

Accounting policy

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.

Payables

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

C3-2 Contract Liabilities

\$ '000	Notes	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	4,652	–	603	–
Total grants received in advance		4,652	–	603	–
Total contract liabilities		4,652	–	603	–

Notes

(i) Council has received funding to construct assets including sporting facilities, bridges, library and other infrastructure. The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

Contract liabilities relating to restricted assets

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Externally restricted assets				
Unspent grants held as contract liabilities (excl. Water & Sewer)	4,664	–	603	–
Contract liabilities relating to externally restricted assets	4,664	–	603	–
Total contract liabilities relating to restricted assets	4,664	–	603	–
Total contract liabilities relating to unrestricted assets	(12)	–	–	–
Total contract liabilities	4,652	–	603	–

Revenue recognised that was included in the contract liability balance at the beginning of the period

\$ '000	2021	2020
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	196	292
Operating grants (received prior to performance obligation being satisfied)	407	149
Total revenue recognised that was included in the contract liability balance at the beginning of the period	603	441

C3-2 Contract Liabilities (continued)

Significant changes in contract liabilities

Council has received significant advance funding under a number of grant programs. Funding received under the Fixing Local Roads program comprises the majority of the change in contract liabilities for 2020/21.

Accounting policy

Contract liabilities are recorded when consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

C3-3 Borrowings

\$ '000	2021		2020	
	Current	Non-current	Current	Non-current
Loans – secured ¹	287	2,866	390	3,153
Total borrowings	287	2,866	390	3,153

(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 E1-1.

Borrowings relating to restricted assets

\$ '000	2021		2020	
	Current	Non-current	Current	Non-current
Externally restricted assets				
Water	99	1,406	97	1,505
Sewer	49	452	49	501
Borrowings relating to externally restricted assets	148	1,858	146	2,006
Total borrowings relating to restricted assets	148	1,858	146	2,006
Total borrowings relating to unrestricted assets	139	1,008	244	1,147
Total borrowings	287	2,866	390	3,153

Current borrowings not anticipated to be settled within the next twelve months

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

(a) Changes in liabilities arising from financing activities

\$ '000	2020			Non-cash movements			2021
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	
Loans – secured	3,543	(390)	–	–	–	–	3,153
Lease liability (Note C2-1b)	15	(15)	–	–	–	–	–
Total liabilities from financing activities	3,558	(405)	–	–	–	–	3,153

\$ '000	2019			Non-cash movements			2020
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	

C3-3 Borrowings (continued)

\$ '000	2019		Non-cash movements				2020
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	3,324	219	–	–	–	–	3,543
Lease liability (Note C2-1b)	–	15	–	–	–	–	15
Total liabilities from financing activities	3,324	234	–	–	–	–	3,558

(b) Financing arrangements

\$ '000	2021	2020
Total facilities		
Credit cards/purchase cards	50	50
Total financing arrangements	50	50
Undrawn facilities		
– Credit cards/purchase cards	100	50
Total undrawn financing arrangements	100	50

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.

Accounting policy

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.

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.

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 borrowing costs.

C3-4 Employee benefit provisions

\$ '000	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
Annual leave	712	–	614	–
Sick leave	354	–	362	–
Long service leave	1,082	156	1,166	135
ELE on-costs	168	–	143	–
Total employee benefit provisions	2,316	156	2,285	135

C3-4 Employee benefit provisions (continued)

Current employee benefit provisions not anticipated to be settled within the next twelve months

\$ '000	2021	2020
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	1,373	1,428
	1,373	1,428

Description of and movements in provisions

\$ '000	ELE provisions				Total
	Annual leave	Sick leave	Long service leave	ELE on-costs	
2021					
At beginning of year	614	362	1,301	143	2,420
Other	98	(8)	(63)	25	52
Total ELE provisions at end of year	712	354	1,238	168	2,472
2020					
At beginning of year	480	551	1,247	130	2,408
Other	134	(189)	54	13	12
Total ELE provisions at end of year	614	362	1,301	143	2,420

Accounting policy

Employee benefit provisions are presented as current liabilities in the Statement of Financial Position if 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 and therefore all annual leave and vested long service leave (or that which vests within 12 months) is presented as current.

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.

C3-5 Provisions

\$ '000	2021 Current	2021 Non-Current	2020 Current	2020 Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	2,278	–	2,110
Sub-total – asset remediation/restoration	–	2,278	–	2,110

continued on next page ...

C3-5 Provisions (continued)

Total provisions	—	2,278	—	2,110
	2021	2021	2020	2020
\$ '000	Current	Non-Current	Current	Non-Current
Provisions relating to restricted assets				
Total provisions relating to restricted assets	—	—	—	—
Total provisions relating to unrestricted assets	—	2,278	—	2,110
Total provisions	—	2,278	—	2,110

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.

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Net carrying amount
2021		
At beginning of year	2,110	2,110
Reassessment completed on gravel pits	168	168
Total other provisions at end of year	2,278	2,278
2020		
At beginning of year	2,110	2,110
Total other provisions at end of year	2,110	2,110

Nature and purpose of provisions

Asset remediation

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

Accounting policy

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.

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 a borrowing cost.

Asset remediation – 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.

C3-5 Provisions (continued)

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.

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.

C4 Reserves

C4-1 Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

The infrastructure, property, plant and equipment (IPPE) revaluation reserve is used to record increments and decrements in the revaluation of infrastructure, property, plant and equipment.

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.

D Council structure

D1 Results by fund

General fund refers to all Council activities other than water and sewer. All amounts disclosed in this note are gross i.e. inclusive of 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.

D1-1 Income Statement by fund

\$ '000	General 2021	Water 2021	Sewer 2021
Income from continuing operations			
Rates and annual charges	3,986	994	512
User charges and fees	3,302	1,338	–
Interest and investment revenue	137	2	–
Other revenues	708	24	80
Grants and contributions provided for operating purposes	13,669	7	5
Grants and contributions provided for capital purposes	3,573	–	–
Total income from continuing operations	25,375	2,365	597
Expenses from continuing operations			
Employee benefits and on-costs	7,325	423	61
Materials and services	8,731	907	103
Borrowing costs	47	58	13
Depreciation, amortisation and impairment of non-financial assets	6,987	1,001	136
Other expenses	417	–	–
Net losses from the disposal of assets	112	54	–
Total expenses from continuing operations	23,619	2,443	313
Operating result from continuing operations	1,756	(78)	284
Net operating result for the year	1,756	(78)	284
Net operating result attributable to each council fund	1,756	(78)	284
Net operating result for the year before grants and contributions provided for capital purposes	(1,817)	(78)	284

D1-2 Statement of Financial Position by fund

\$ '000	General 2021	Water 2021	Sewer 2021
ASSETS			
Current assets			
Cash and cash equivalents	8,742	2,929	793
Investments	14,343	–	–
Receivables	621	148	39
Inventories	2,293	–	–
Total current assets	25,999	3,077	832
Non-current assets			
Receivables	568	273	73
Infrastructure, property, plant and equipment	188,550	37,647	3,784
Total non-current assets	189,118	37,920	3,857
TOTAL ASSETS	215,117	40,997	4,689
LIABILITIES			
Current liabilities			
Payables	2,951	–	1
Contract liabilities	4,652	–	–
Borrowings	139	99	49
Employee benefit provision	2,316	–	–
Total current liabilities	10,058	99	50
Non-current liabilities			
Borrowings	1,008	1,406	452
Employee benefit provision	156	–	–
Provisions	2,278	–	–
Total non-current liabilities	3,442	1,406	452
TOTAL LIABILITIES	13,500	1,505	502
Net assets	201,617	39,492	4,187
EQUITY			
Accumulated surplus	116,474	7,827	2,866
Revaluation reserves	85,143	31,665	1,321
Council equity interest	201,617	39,492	4,187
Total equity	201,617	39,492	4,187

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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 2021	Carrying value 2020	Fair value 2021	Fair value 2020
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	12,464	10,415	12,464	10,415
Receivables	1,722	1,795	1,393	1,393
Investments				
– Debt securities at amortised cost	14,343	13,276	14,343	13,276
Total financial assets	28,529	25,486	28,200	25,084
Financial liabilities				
Payables	2,952	1,803	2,952	1,325
Loans/advances	3,153	3,543	3,153	3,543
Total financial liabilities	6,105	5,346	6,105	4,868

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 measure at amortised cost investments** – are based upon estimated future cash flows discounted by the current market 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) **at fair value through other comprehensive income** – 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 its 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:

- **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.

E1-1 Risks relating to financial instruments held (continued)

- **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 – interest rate and price risk

\$ '000	2021	2020
<p>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.</p>		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	266	237
Impact of a 10% movement in price of investments		
– Equity / Income Statement	–	–

E1-1 Risks relating to financial instruments held (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 recover these debts as a secured charge over the land; 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 payment.

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2021						
Gross carrying amount	–	215	164	173	65	617
2020						
Gross carrying amount	–	296	198	71	45	610

Receivables - non-rates and annual charges and contract assets

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

The loss allowance provision 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
2021						
Gross carrying amount	703	122	67	83	229	1,204
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	10.00%	1.90%
ECL provision	–	–	–	–	23	23
2020						
Gross carrying amount	621	38	216	181	273	1,329
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	10.00%	2.05%
ECL provision	–	–	–	–	27	27

E1-1 Risks relating to financial instruments held (continued)

(c) Liquidity risk

Payables, lease liabilities and borrowings are both subject to liquidity risk; that is, 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 by maintaining an adequate cash buffer. Payment terms can be extended, and overdraft facilities drawn upon in extenuating circumstances.

Borrowings are also subject to interest rate risk: the risk that movements in interest rates could adversely affect funding costs. 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 for non-lease liabilities (refer to Note C2-1(b) for lease liabilities) 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	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 - 5 Years	> 5 Years		
2021							
Trade/other payables	0.00%	39	2,770	–	–	2,809	2,796
Loans and advances	3.27%	–	287	1,565	1,301	3,153	3,153
Total financial liabilities		39	3,057	1,565	1,301	5,962	5,949
2020							
Trade/other payables	0.00%	27	1,775	–	–	1,802	1,602
Loans and advances	0.00%	–	390	1,550	1,603	3,543	3,543
Total financial liabilities		27	2,165	1,550	1,603	5,345	5,145

Loan agreement breaches

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

E2-1 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).

		Fair value measurement hierarchy							
\$ '000	Notes	Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
Recurring fair value measurements									
Financial assets									
Financial investments	C1-2								
– 'Held to maturity'		30/06/21	30/06/20	14,347	13,276	–	–	14,347	13,276
Receivables		30/06/21	30/06/20	1,721	1,232	–	–	1,721	1,232
Total financial assets				16,068	14,508	–	–	16,068	14,508
Financial liabilities									
Payables		30/06/21	30/06/20	2,952	1,325	–	–	2,952	1,325
Loans/advances		30/06/21	30/06/20	3,153	3,543	–	–	3,153	3,543
Total financial liabilities				6,105	4,868	–	–	6,105	4,868
Infrastructure, property, plant and equipment									
Plant and equipment	C1-6	30/06/21	30/06/15	–	–	7,912	7,169	7,912	7,169
Office equipment		30/06/21	30/06/15	–	–	222	254	222	254
Furniture and fittings		30/06/21	30/06/15	–	–	12	12	12	12
Operational land		30/06/17	30/06/17	1,376	1,234	–	–	1,376	1,234
Community land		30/06/17	30/06/17	–	–	1,911	1,911	1,911	1,911
Land improvements		30/06/17	30/06/17	–	–	2,407	710	2,407	710
Buildings – non specialised		30/06/17	30/06/17	12,339	12,251	–	–	12,339	12,251
Buildings – specialised		30/06/17	30/06/17	–	–	1,007	921	1,007	921
Roads		30/06/21	30/06/16	–	–	120,365	127,918	120,365	127,918
Bridges		30/06/21	30/06/16	–	–	23,463	20,107	23,463	20,107
Footpaths		30/06/21	30/06/16	–	–	2,000	1,372	2,000	1,372
Stormwater drainage		30/06/21	30/06/16	–	–	2,454	1,318	2,454	1,318
Water supply network		30/06/17	30/06/17	–	–	37,329	37,185	37,329	37,185
Sewerage network		30/06/17	30/06/17	–	–	3,745	3,697	3,745	3,697
Swimming pools		30/06/17	30/06/17	–	–	2,835	2,823	2,835	2,823
Open space/recreational assets		30/06/18	30/06/18	–	–	3,218	2,780	3,218	2,780
Library books		30/06/21	30/06/20	–	–	62	52	62	52
Other assets		30/06/17	30/06/17	–	–	1,888	1,420	1,888	1,420
Work in Progress		30/06/21	30/06/20	–	–	2,215	66	2,215	66
Levee Banks		30/06/16	30/06/16	–	–	1,594	1,635	1,594	1,635
Other Structures General		30/06/18	30/06/18	–	–	30	22	30	22
Total infrastructure, property, plant and equipment				13,715	13,485	214,669	211,372	228,384	224,857

E2-1 Fair value measurement (continued)

Valuation techniques

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 (IPPE)

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.

E2-1 Fair value measurement (continued)

Fair value measurements using significant unobservable inputs (level 3)

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

\$ '000	I,PP and E	
	2021	2020
Opening balance	211,372	206,964
Total gains or losses for the period		
Other movements		
Purchases (GBV)	13,320	12,489
Disposals (WDV)	(1,578)	(747)
Depreciation and impairment	(7,910)	(7,714)
Revaluation Increments to Equity	–	380
Revaluation Decrements to Equity	(535)	–
Closing balance	214,669	211,372

Highest and best use

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

E3-1 Contingencies

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 future service employer contributions and past service employer contributions to the Fund.

The future service 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 future service 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 2019 to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2019. 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.

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 2021 was \$ 73,185 The last valuation of the Scheme was performed by Mr Richard Boyfield FIAA and covers the period ended 30 June 2020.

E3-1 Contingencies (continued)

The amount of additional contributions included in the total employer contribution advised above is \$46,000. Council's expected contribution to the plan for the next annual reporting period is \$64,996.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2021 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,620.5	
Past Service Liabilities	2,445.6	107.2%
Vested Benefits	2,468.7	106.2%

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

The share of this deficit that is broadly attributed to Council is estimated to be in the order of \$46,000 as at 30 June 2021.

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.

2. Other liabilities

E3-1 Contingencies (continued)

(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.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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	2021	2020
Compensation:		
Short-term benefits	845	823
Total	845	823

F1-1 Key management personnel (KMP) (continued)

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			Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000	Ref	Transactions during the year				
2021						
Creditor - Earthmoving	3	1	–	Standard procurement process	–	–
Employee Expenses relating to close family members of KMP	1	163	–	Council Staff Award	–	–
Staff Reimbursement of Expenses	2	3	–	30 day terms on invoices	–	–
2020						
Creditor - Earthmoving	3	36	–	Standard procurement process	–	–
Employee Expenses relating to close family members of KMP	1	96	–	Council Staff Award	–	–
Staff Reimbursement of Expenses	2	2	–	30 day terms on invoices	–	–

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

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

3 Council through its normal procurement process obtained quotes for earthmoving services. A company associated with one KMP provided these services.

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2021	2020
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	27	24
Councillors' fees	99	110
Other Councillors' expenses (including Mayor)	11	22
Total	137	156

F2 Other relationships

F2-1 Audit fees

\$ '000	2021	2020
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	35	33
Remuneration for audit and other assurance services	35	33
Total Auditor-General remuneration	35	33
(ii) Other non-assurance services		
Non NSW Auditor-General audit firms		
(ii) Non-assurance services		
Internal Audit	-	37
Audit Committee	-	3
Remuneration for non-assurance services	-	40
Total remuneration of non NSW Auditor-General audit firms	-	40
Total audit fees	35	73

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of net operating result to cash provided from operating activities

\$ '000	2021	2020
Net operating result from Income Statement	1,962	10,492
Adjust for non-cash items:		
Depreciation and amortisation	8,124	7,963
Net losses/(gains) on disposal of assets	166	(381)
Adoption of AASB 15/1058	–	(441)
+/- Movement in operating assets and liabilities and other cash items:		
Decrease/(increase) in receivables	118	(638)
Increase/(decrease) in provision for impairment of receivables	(45)	(17)
Decrease/(increase) in inventories	124	(418)
Increase/(decrease) in payables	1,352	(125)
Increase/(decrease) in other accrued expenses payable	(338)	60
Increase/(decrease) in other liabilities	145	418
Increase/(decrease) in contract liabilities	4,049	603
Increase/(decrease) in provision for employee benefits	52	12
Increase/(decrease) in other provisions	168	–
Net cash provided from/(used in) operating activities from the Statement of Cash Flows	15,877	17,528

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2021	2020
---------	------	------

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Property, plant and equipment

Other	9,892	3,227
Total commitments	9,892	3,227

These expenditures are payable as follows:

Within the next year	9,892	3,227
Total payable	9,892	3,227

Sources for funding of capital commitments:

Unrestricted general funds	1,026	2,668
Future grants and contributions	8,866	559
Total sources of funding	9,892	3,227

Details of capital commitments

Capital projects committed to and categorised as general fund (3,007), domestic waste (71), Goolgowi water supply (32) and Hillston water supply (117).

G3 Statement of developer contributions as at 30 June 2021

G3-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
Community facilities	316	59	–	–	–	–	375	–
S7.11 contributions – under a plan	316	59	–	–	–	–	375	–
Total S7.11 and S7.12 revenue under plans	316	59	–	–	–	–	375	–
Total contributions	316	59	–	–	–	–	375	–

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.

G3-2 Developer contributions by plan

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
CONTRIBUTION PLAN NUMBER 1								
Community facilities	5	–	–	–	–	–	5	–
Total	5	–	–	–	–	–	5	–
CONTRIBUTION PLAN NUMBER 2								
Community facilities	311	59	–	–	–	–	370	–
Total	311	59	–	–	–	–	370	–

G4 Statement of performance measures

G4-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2021	Indicator 2021	Indicators 2020 2019		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(1,445)	(5.84)%	13.52%	(8.52)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	24,764				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	11,083	39.11%	34.11%	35.02%	> 60.00%
Total continuing operating revenue ¹	28,337				
3. Unrestricted current ratio					
Current assets less all external restrictions	21,022	5.31x	8.32x	3.30x	> 1.50x
Current liabilities less specific purpose liabilities	3,957				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	6,797	13.00x	23.45x	12.12x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	523				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	601	9.88%	10.13%	8.32%	< 10.00%
Rates and annual charges collectable	6,081				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	26,807	16.86	17.19	12.77	> 3.00
Monthly payments from cash flow of operating and financing activities	1,590	mths	mths	mths	mths

(1) Excludes fair value increments on investment properties, reversal of revaluation decrements, reversal of impairment losses on receivables, net gain on sale of assets and net share of interests in joint ventures and associates using the equity method and includes pensioner rate subsidies

(2) Excludes impairment/revaluation decrements of IPPE, fair value decrements on investment properties, net loss on disposal of assets and net loss on share of interests in joint ventures and associates using the equity method

G4-2 Statement of performance measures by fund

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2021	2020	2021	2020	2021	2020	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(7.57)%	15.10%	(3.30)%	(1.45)%	47.57%	17.66%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions ¹	32.05%	27.43%	99.70%	99.72%	99.16%	98.94%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	5.31x	8.32x	31.08x	35.12x	16.64x	13.08x	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	11.91x	25.62x	16.91x	16.00x	33.31x	8.43x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates and annual charges outstanding percentage							
Rates and annual charges outstanding	13.14%	13.37%	0.00%	0.00%	0.00%	0.00%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	14.52 mths	14.45 mths	∞	∞	∞	∞	> 3.00 mths
Monthly payments from cash flow of operating and financing activities							

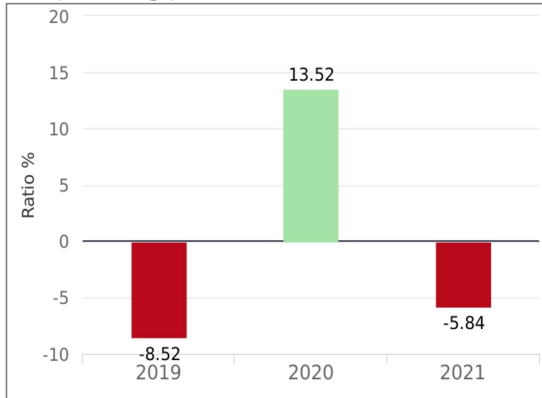
(1) - (2) Refer to Notes at Note 25(a) above.

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

H Additional Council disclosures (unaudited)

H1-1 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 2020/21 result

2020/21 ratio (5.84)%

Council have been delayed in receiving some operational income namely reimbursement for flood damage works of over \$4 million.

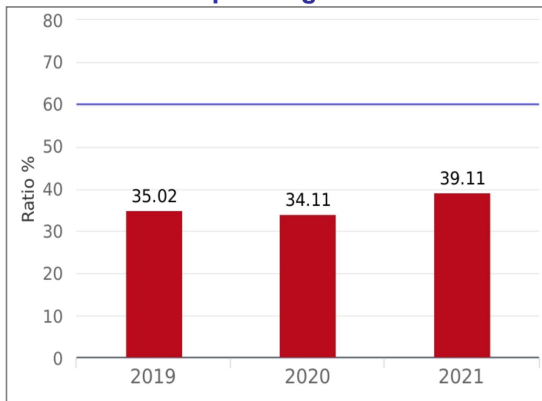
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

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 2020/21 result

2020/21 ratio 39.11%

Due to Council's remoteness and reliance on grant funding for its large road network, it will continue to be difficult to meet this ratio target of 60%.

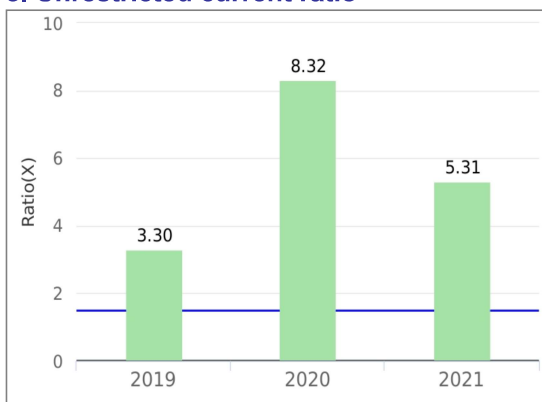
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

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 2020/21 result

2020/21 ratio 5.31x

Council have adequate working capital to satisfy its obligations and this result is a good long term stability indicator.

Benchmark: — > 1.50x

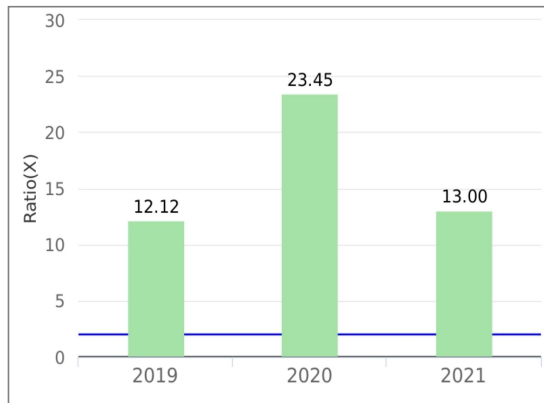
Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

H1-1 Statement of performance measures – consolidated results (graphs) (continued)

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 2020/21 result

2020/21 ratio 13.00x

Council has adequate cash to service all borrowings. This ratio has been impacted by the non receipt of reimbursement of the \$4 million of flood damage funding.

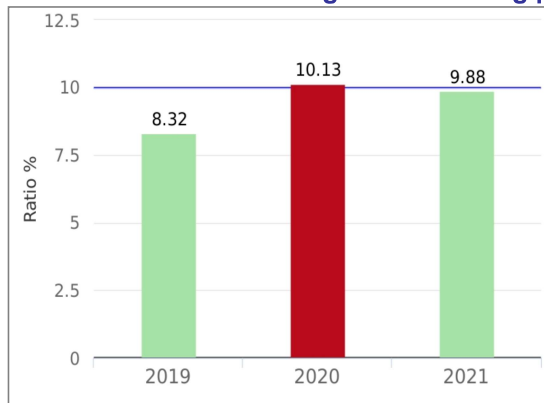
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

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

Commentary on 2020/21 result

2020/21 ratio 9.88%

Despite the impacts of COVID-19 during this period the ratio has remained on par with last year. Debt recovery was suspended during the financial year but will recommence in the new financial year.

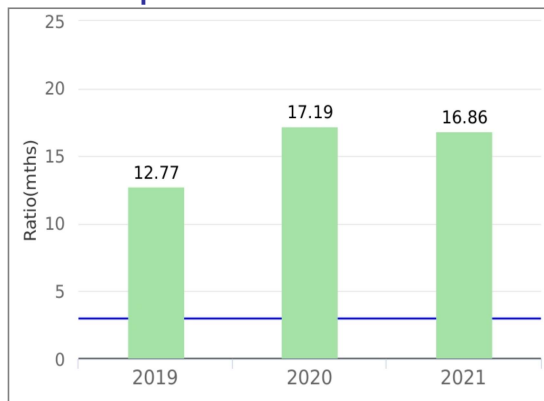
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

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 2020/21 result

2020/21 ratio 16.86 mths

Council maintains an adequate amount of cash reserves and these reserves are closely monitored.

Benchmark: — > 3.00mths

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

H1-2 Council information and contact details

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

Email: council@carrathool.nsw.gov.au

Officers

General Manager

Rick Warren

Responsible Accounting Officer

Robert Rayner

Public Officer

Robert Rayner

Auditors

Audit Office of NSW
GPO Box 12
SYDNEY NSW 2001

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

Carrathool Shire Council

General Purpose Financial Statements for the year ended 30 June 2021



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 Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

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 prepared, 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 2021, 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 (including Independence Standards)' (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 2021 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.

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. The description forms part of my auditor's report.

The scope of my audit does not include, nor 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 B5-1 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.



Unaib Jeffrey
Delegate of the Auditor-General for New South Wales

25 October 2021
SYDNEY

Carrathool Shire Council

General Purpose Financial Statements

for the year ended 30 June 2021



Clr Darryl Jardine
Mayor
Carrathool Shire Council
PO Box 115
CARRATHOOL NSW 2821

Contact: Unaib Jeffrey
Phone no: (02) 9275 7450
Our ref: D2122144/1709

25 October 2021

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2021
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 2021 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 2021 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.

SIGNIFICANT AUDIT ISSUES AND OBSERVATIONS

I identified the following significant audit issues and observations during my audit of the Council's financial statements. These issues and observations were addressed as part of my audit.

Rural fire-fighting equipment not recognised in the financial statements

Council did not record rural fire-fighting equipment in the financial statements.

Rural fire fighting equipment, specifically the red fleet vehicles, is controlled by the Council and should be recognised in their financial statements. This is supported by the requirement of the *Rural Fires Act 1997* and service agreements between councils and the RFS.

The Department of Planning, Industry and Environment (inclusive of the Office of Local Government) confirmed in the 'Report on Local Government 2020' (tabled in Parliament on 27 May 2021) their view that rural fire-fighting equipment is not controlled by the NSW Rural Fire Service.

INCOME STATEMENT

Operating result

	2021	2020	Variance
	\$m	\$m	%
Rates and annual charges revenue	5.5	5.3	↑ 3.8
Grants and contributions revenue	17.3	21.0	↓ 17.9
Operating result from continuing operations	2.0	10.5	↓ 81.3
Net operating result before capital grants and contributions	(1.6)	3.8	↓ 142.6

The Council's net operating result from continuing operations was a surplus of \$1.9 million (\$10.5 million surplus for the year ended 30 June 2020). The decrease of \$8.5 million is mainly due to a decrease in grants and contributions of \$3.7 million and an increase in materials and services expense of \$4.4 million. Grants and contributions reduced due to a decrease of \$3.9 million in transport grants received for capital purposes. Council received additional roads to recovery and transport grant funding to complete flood restoration works in the prior year. Materials and services expense of \$4.4 million due to an increase in the operational expenditure on flood restoration works for regional and local roads during the year.

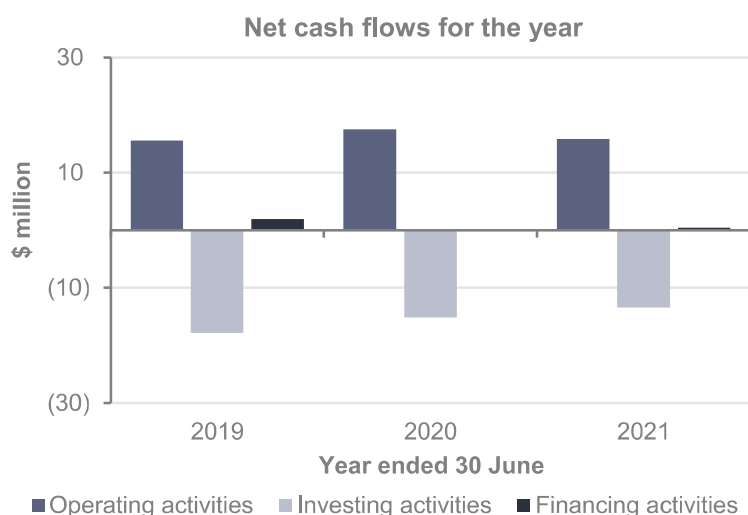
The net operating result before capital grants and contributions was a deficit of \$1.6 million (\$3.7 million deficit for the year ended 30 June 2020). The decrease of \$5.4 million is largely due to the factors flagged earlier regarding grants and contributions and materials and services expense.

Rates and annual charges revenue was \$5.5 million (\$5.3 million for the year ended 30 June 2020). The increase of \$0.2 million (3.8%) is consistent with an increase in ordinary rates in line with the 2.6% rate peg and an increase in total number of rateable properties.

Grants and contributions revenue was \$17.2 million (\$21.0 million for the year ended 30 June 2020). The decrease of \$3.7 million (17.9%) was explained above.

STATEMENT OF CASH FLOWS

- Council's cash and cash equivalents was \$12.4 million (\$10.4 million for the year ended 30 June 2020). There was a net increase of cash and cash equivalents of \$2.0 million during the 2020-21 financial year.
- Net cash provided by operating activities decreased by \$1.6 million mainly due to an increase in materials and service expenses.
- Net cash used in investing activities decreased by \$1.7 million, largely due to a decrease in purchases of IPP&E of \$2.1 million.
- Net cash used in financing activities increased by \$0.405 million due to the repayment of existing borrowings combined with no new borrowings in 2021.



FINANCIAL POSITION

Cash and investments

Cash and investments	2021	2020	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	26.8	23.7	<ul style="list-style-type: none"> • Externally restricted cash and investments are restricted in their use by externally imposed requirements. The increase of \$4.6 million is mainly due to an increase of \$4.6 million in specific purpose unexpended grants in the general fund. • Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect identified programs of work and any forward plans identified by Council. • Unrestricted cash and investments were \$3.9 million, which is available to provide liquidity for day-to-day operations of the Council.
Restricted cash and investments:			
• External restrictions	9.1	4.4	
• Internal restrictions	13.8	13.5	
• Unrestricted	3.9	5.8	

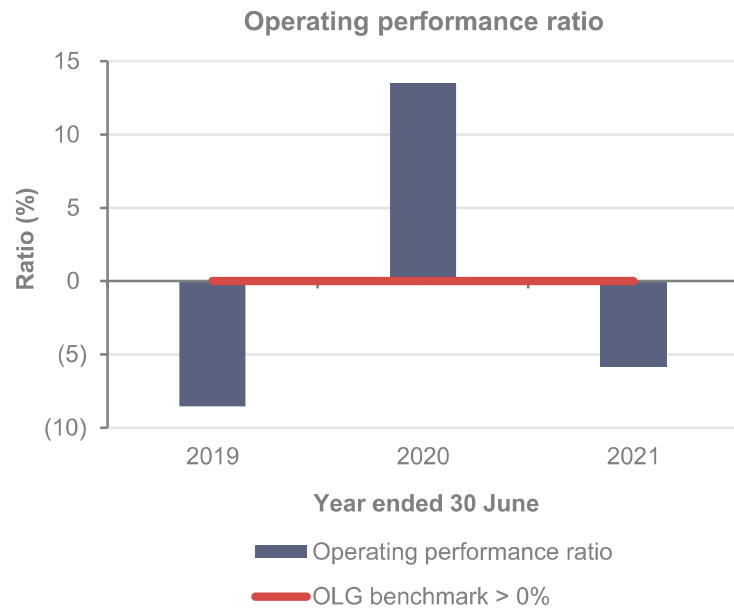
PERFORMANCE

Performance measures

The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Industry and Environment.

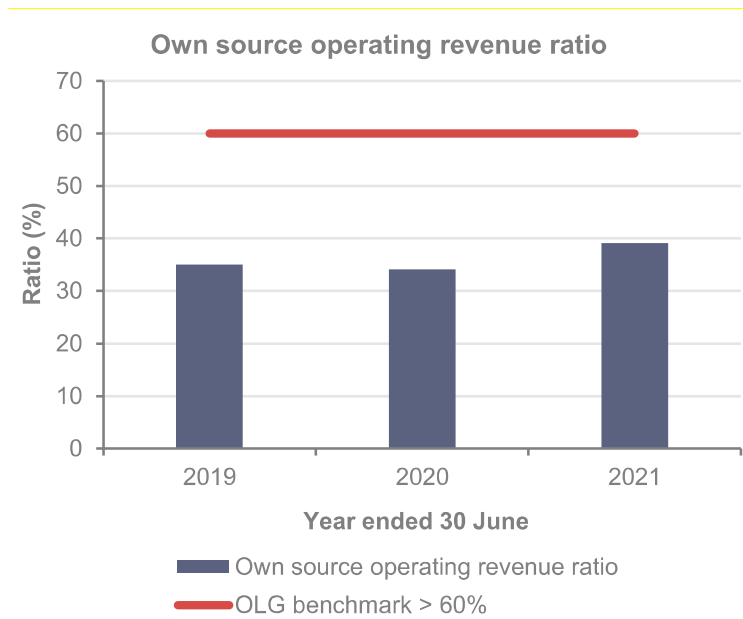
Operating performance ratio

- 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 OLG is greater than zero per cent.
- The Council did not meet the OLG benchmark for the current reporting period.
- The operating performance ratio declined to (5.84 per cent) (2020: 13.52 per cent) due to a \$4.4 million increase in materials and services expenses.



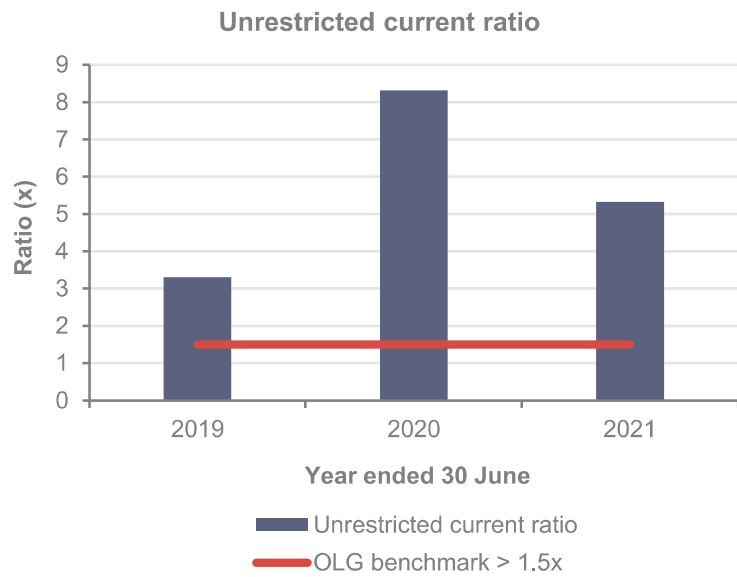
Own source operating revenue ratio

- 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 OLG is greater than 60 per cent.
- The Council's own source operating revenue ratio of 39.11 per cent did not meet the OLG benchmark for the current reporting period.
- The own source operating revenue ratio increased to 39.11 per cent from 34.11 per cent due to the decrease in capital grants and contributions noted above.



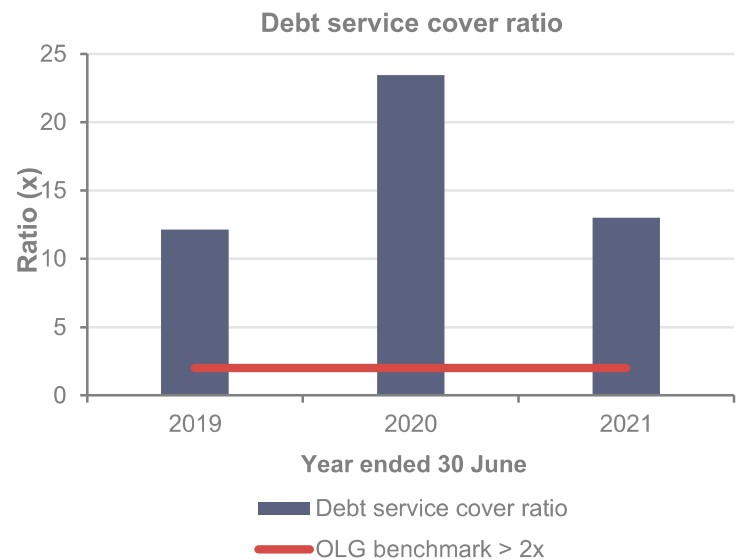
Unrestricted current ratio

- 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 OLG is greater than 1.5 times.
- The Council's unrestricted current ratio of 5.31 times exceeded the OLG benchmark for the current reporting period.
- Whilst the Council's unrestricted current ratio has decreased due to an increase in current liabilities, it remains a sufficient margin above the OLG benchmark.



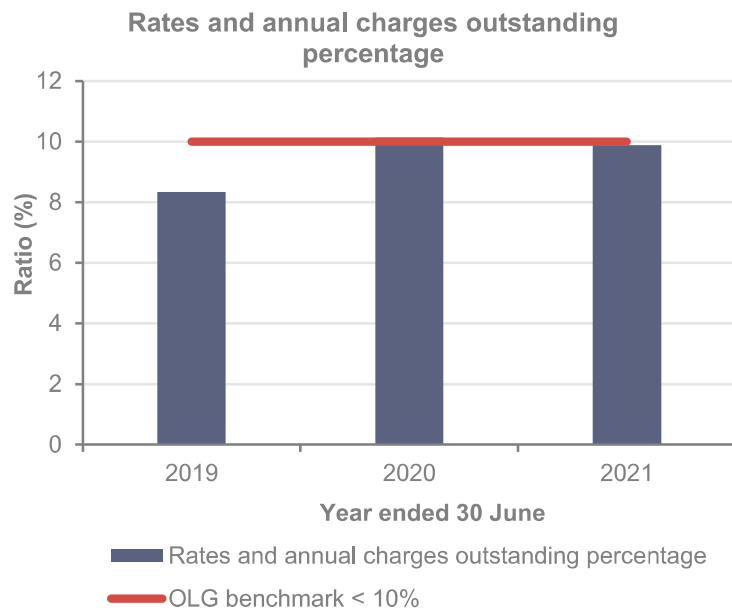
Debt service cover ratio

- The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.
- The Council met the OLG benchmark for the current reporting period. This indicates that the Council has sufficient operating revenue to service its debts.
- The debt service cover ratio declined to 13.0 times (2020: 23.5 times) due to the increase in materials and service expenses.



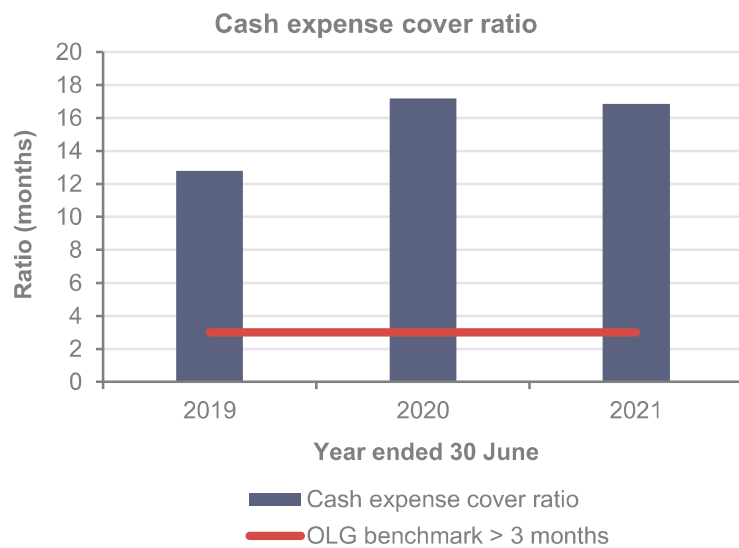
Rates and annual charges outstanding percentage

- 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 OLG is less than 10 per cent for regional and rural councils.
- The Council's rates and annual charges outstanding percentage ratio of 9.88 per cent is within OLG benchmark for the current reporting period.



Cash expense cover ratio

- 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 OLG is greater than three months.
- The Council's cash expense cover ratio was 16.86 months, which is above the industry benchmark of greater than 3 months. This indicates that Council had the capacity to cover 16.86 months of operating cash expenditure without additional cash inflows at 30 June 2021.
- The Council's cash expense cover has decreased slightly due to an increase in materials and services expenses



Infrastructure, property, plant and equipment renewals

The Council renewed \$12.1 million of assets in the 2020-21 financial year, compared to \$9.3 million of assets in the 2019-20 financial year. This increase is primarily due to \$1.9 million of additional renewal that is classified as in work in progress.

OTHER MATTERS

Impact of new accounting standards

AASB 1059 'Service Concession Arrangements: Grantors'

The Council adopted the new accounting standard AASB 1059 'Service Concession Arrangements: Grantors' for the first time in its 2020–21 financial statements.

AASB 1059 provides guidance for public sector entities (grantors) who enter into service concession arrangements with private sector operators for the delivery of public services.

AASB 1059 applies to arrangements involving an operator providing public services related to a service concession asset on behalf of a public sector grantor for a specified period of time and managing at least some of those services. Common examples include roads, prisons, hospitals, water distribution facilities and energy supply.

When AASB 1059 applies, the grantor recognises the service concession asset at current replacement cost when the grantor obtains control of the asset and recognises a corresponding financial liability or unearned revenue or a combination of both.

The Council does not have any service concession arrangements that fall under AASB 1059.

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.



Unaib Jeffrey

Delegate of the Auditor-General for New South Wales

cc: Mr Rick Warren, General Manager
Kiersten Fishburn, Secretary of the Department of Planning, Industry and Environment

Carrathool Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2021



Carrathool Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2021

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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 2021

Statement by Councillors and Management

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 21 September 2021.



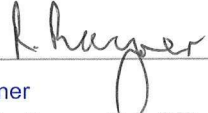
Cr Darryl Jardine
Mayor
21 September 2021



Rick Warren
General Manager
21 September 2021



Cr Scott Groat
Councillor
21 September 2021



Robert Rayner
Responsible Accounting Officer
21 September 2021

Carrathool Shire Council

Income Statement of water supply business activity

for the year ended 30 June 2021

\$ '000	2021	2020
Income from continuing operations		
Access charges	994	942
User charges	1,338	1,458
Interest	2	20
Grants and contributions provided for non-capital purposes	7	7
Other income	24	51
Total income from continuing operations	2,365	2,478
Expenses from continuing operations		
Employee benefits and on-costs	423	391
Borrowing costs	58	61
Materials and services	907	1,064
Depreciation, amortisation and impairment	1,001	951
Loss on sale of assets	54	47
Total expenses from continuing operations	2,443	2,514
Surplus (deficit) from continuing operations before capital amounts	(78)	(36)
Surplus (deficit) from continuing operations after capital amounts	(78)	(36)
Surplus (deficit) from all operations before tax	(78)	(36)
Surplus (deficit) after tax	(78)	(36)
Plus accumulated surplus	7,905	7,941
Closing accumulated surplus	7,827	7,905
Return on capital %	(0.1)%	0.1%
Subsidy from Council	581	302
Calculation of dividend payable:		
Surplus (deficit) after tax	(78)	(36)
Surplus for dividend calculation purposes	-	-
Potential dividend calculated from surplus	-	-

Carrathool Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2021

\$ '000	2021	2020
Income from continuing operations		
Access charges	512	461
Interest	–	3
Grants and contributions provided for non-capital purposes	5	5
Other income	80	1
Total income from continuing operations	597	470
Expenses from continuing operations		
Employee benefits and on-costs	61	60
Borrowing costs	13	28
Materials and services	103	173
Depreciation, amortisation and impairment	136	125
Other expenses	–	1
Total expenses from continuing operations	313	387
Surplus (deficit) from continuing operations before capital amounts	284	83
Surplus (deficit) from continuing operations after capital amounts	284	83
Surplus (deficit) from all operations before tax	284	83
Less: corporate taxation equivalent [based on result before capital]	(74)	(23)
Surplus (deficit) after tax	210	60
Plus accumulated surplus	2,582	2,498
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	74	23
Closing accumulated surplus	2,866	2,581
Return on capital %	7.8%	3.0%
Subsidy from Council	–	–
Calculation of dividend payable:		
Surplus (deficit) after tax	210	60
Surplus for dividend calculation purposes	210	60
Potential dividend calculated from surplus	105	30

Carrathool Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2021

\$ '000	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	2,929	3,169
Receivables	148	273
Total current assets	3,077	3,442
Non-current assets		
Receivables	273	195
Infrastructure, property, plant and equipment	37,647	37,185
Total non-current assets	37,920	37,380
Total assets	40,997	40,822
LIABILITIES		
Current liabilities		
Payables	-	1
Borrowings	99	97
Total current liabilities	99	98
Non-current liabilities		
Borrowings	1,406	1,505
Total non-current liabilities	1,406	1,505
Total liabilities	1,505	1,603
Net assets	39,492	39,219
EQUITY		
Accumulated surplus	7,827	7,905
Revaluation reserves	31,665	31,314
Total equity	39,492	39,219

Carrathool Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2021

\$ '000	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	793	605
Receivables	39	49
Total current assets	832	654
Non-current assets		
Receivables	73	25
Infrastructure, property, plant and equipment	3,784	3,741
Total non-current assets	3,857	3,766
Total assets	4,689	4,420
LIABILITIES		
Current liabilities		
Payables	1	1
Borrowings	49	49
Total current liabilities	50	50
Non-current liabilities		
Borrowings	452	501
Total non-current liabilities	452	501
Total liabilities	502	551
Net assets	4,187	3,869
EQUITY		
Accumulated surplus	2,866	2,581
Revaluation reserves	1,321	1,288
Total equity	4,187	3,869

Note – Significant Accounting Policies

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* (Act), the *Local Government (General) Regulation 2005* (Regulation) 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, fair value 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, and returns 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 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

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.

Note – Significant Accounting Policies (continued)

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 \$734,000 of combined land values attracts 0%. For the combined land values in excess of \$734,001 up to \$4,488,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$4,488,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$900,000.

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 Best Practice Management of Water Supply and Sewer 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. No adjustments have been made for variations that have occurred during the year.

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.

(i) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed. Subsidies occur where 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. The overall effect of subsidies is contained within the Income Statements of business activities.

(ii) 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'.

Funds are subsequently available for meeting commitments or financing future investment strategies. The rate of return is disclosed for each of Council's business activities on the Income Statement.

Note – Significant Accounting Policies (continued)

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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 1.49% at 30/6/21.

(iii) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

Local government water supply and sewerage businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

Each dividend must be calculated and approved in accordance with the Department of Industry – Water guidelines and must not exceed:

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2020 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Best Practice Management of Water Supply and Sewer Guidelines, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the Department of Industry – Water.

Carrathool Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2021



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 Activity, which comprise the Statement by Councillors and Management, the Income Statement of each Declared Business Activity for the year ended 30 June 2021, the Statement of Financial Position of each Declared Business Activity as at 30 June 2021 and the Significant accounting policies note.

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 2021, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Significant accounting policies note and the Local Government Code of Accounting Practice and Financial Reporting 2020–21 (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 (including Independence Standards)' (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 the Significant accounting policies note 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 2021 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 the Significant accounting policies note 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. The description forms part of my auditor's report.

The scope of my audit does not include, nor 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 'Unaib Jeffrey', with a long horizontal stroke extending to the right.

Unaib Jeffrey
Delegate of the Auditor-General for New South Wales

25 October 2021
SYDNEY

Carrathool Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2021



Carrathool Shire Council

Special Schedules

for the year ended 30 June 2021

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Carrathool Shire Council

Permissible income for general rates

\$ '000	Notes	Calculation 2020/21	Calculation 2021/22
Notional general income calculation ¹			
Last year notional general income yield	a	3,457	3,555
Plus or minus adjustments ²	b	–	(12)
Notional general income	c = a + b	3,457	3,543
Permissible income calculation			
Or rate peg percentage	e	2.60%	2.00%
Or plus rate peg amount	i = e x (c + g)	90	71
Sub-total	k = (c + g + h + i + j)	3,547	3,614
Plus (or minus) last year's carry forward total	l	–	(8)
Sub-total	n = (l + m)	–	(8)
Total permissible income	o = k + n	3,547	3,606
Less notional general income yield	p	3,555	3,615
Catch-up or (excess) result	q = o – p	(8)	(9)
Plus income lost due to valuation objections claimed ⁴	r	–	6
Carry forward to next year ⁶	t = q + r + s	(8)	(3)

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.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (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 2022.

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 2020–21 (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 (including Independence Standards)' (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 2021 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 2021'.

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.

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. The description forms part of my auditor's report.

The scope of my audit does not include, nor 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.

A handwritten signature in black ink, appearing to read 'Unaib Jeffrey', with a long horizontal stroke extending to the right.

Unaib Jeffrey

Delegate of the Auditor-General for New South Wales

25 October 2021
SYDNEY

Carrathool Shire Council

Report on infrastructure assets as at 30 June 2021

Asset Class	Asset Category	Estimated cost		2020/21 Required maintenance ^a	2020/21 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	Estimated cost to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Buildings	Council Offices / Administration Centres	–	–	27	16	2,952	3,979	95.0%	5.0%	0.0%	0.0%	0.0%
	Council Works Depot	–	–	15	22	480	1,892	12.0%	88.0%	0.0%	0.0%	0.0%
	Buildings – specialised	–	–	104	101	1,007	2,108	42.0%	58.0%	0.0%	0.0%	0.0%
	Council Public Halls	–	–	38	27	1,785	7,909	6.0%	92.0%	2.0%	0.0%	0.0%
	Libraries	–	–	18	3	2,079	2,586	0.0%	100.0%	0.0%	0.0%	0.0%
	Cultural Facilities	202	–	–	–	2	947	0.0%	0.0%	0.0%	100.0%	0.0%
	Other Buildings	–	–	27	9	1,728	4,356	55.0%	23.0%	18.0%	4.0%	0.0%
	Council Dwellings	–	–	68	26	3,313	5,971	37.0%	63.0%	0.0%	0.0%	0.0%
Sub-total		202	–	297	204	13,346	29,748	33.5%	59.5%	3.2%	3.8%	0.0%
Other structures	Other structures	–	–	–	–	30	31	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	–	–	–	–	30	31	100.0%	0.0%	0.0%	0.0%	0.0%
Roads	Roads	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sealed roads	–	–	842	913	58,569	70,930	28.0%	42.0%	30.0%	0.0%	0.0%
	Unsealed roads	482	–	2,023	2,337	58,198	75,596	17.0%	25.0%	53.0%	5.0%	0.0%
	Bridges	–	–	22	25	23,463	27,926	55.0%	32.0%	13.0%	0.0%	0.0%
	Footpaths	–	–	27	7	2,000	2,355	84.0%	10.0%	6.0%	0.0%	0.0%
	Access Roadways and Carparks	–	–	6	6	298	376	0.0%	82.0%	18.0%	0.0%	0.0%
	Major Road Culverts	–	–	18	26	945	1,519	26.0%	18.0%	56.0%	0.0%	0.0%
	Kerb and Gutter	12	–	30	6	2,354	3,337	59.0%	35.0%	6.0%	0.0%	0.0%
	Other road assets (incl. bulk earth works)	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	494	–	2,968	3,320	145,828	182,039	28.8%	32.7%	36.4%	2.1%	0.0%
Water supply network	Bores	–	–	10	8	344	648	0.0%	40.0%	60.0%	0.0%	0.0%
	Mains	–	–	310	365	32,184	59,101	14.0%	4.0%	82.0%	0.0%	0.0%
	Reservoirs	–	–	29	20	1,468	2,769	0.0%	7.0%	93.0%	0.0%	0.0%
	Pumping Stations/s	–	–	222	224	1,581	2,422	0.0%	82.0%	18.0%	0.0%	0.0%
	Treatment	–	–	26	22	1,517	1,800	45.0%	10.0%	45.0%	0.0%	0.0%
	Telemetry	–	–	27	25	235	399	42.0%	47.0%	11.0%	0.0%	0.0%
	Sub-total	–	–	624	664	37,329	67,139	13.8%	7.7%	78.5%	0.0%	0.0%

Carrathool Shire Council

Report on infrastructure assets as at 30 June 2021 (continued)

Asset Class	Asset Category	Estimated cost		2020/21 Required maintenance ^a	2020/21 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
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Sewerage network	Mains	–	–	42	37	2,035	4,125	0.0%	5.0%	95.0%	0.0%	0.0%
	Pumping Stations/s	–	–	51	22	852	1,622	0.0%	31.0%	69.0%	0.0%	0.0%
	Treatment	–	–	8	4	745	1,221	0.0%	1.0%	99.0%	0.0%	0.0%
	Telemetry	–	–	4	1	113	204	42.0%	47.0%	11.0%	0.0%	0.0%
	Sub-total		–	–	105	64	3,745	7,172	1.2%	11.4%	87.4%	0.0%
Stormwater drainage	Stormwater drainage	78	–	51	26	2,454	3,587	10.0%	51.0%	39.0%	0.0%	0.0%
	Sub-total	78	–	51	26	2,454	3,587	10.0%	51.0%	39.0%	0.0%	0.0%
Open space / recreational assets	Swimming pools	–	–	115	108	2,835	4,098	78.0%	22.0%	0.0%	0.0%	0.0%
	Recreational Infrastructure	–	–	18	20	3,218	4,826	54.0%	38.0%	8.0%	0.0%	0.0%
	Sub-total	–	–	133	128	6,053	8,924	65.0%	30.7%	4.3%	0.0%	0.0%
Other infrastructure assets	Levee Banks	–	–	15	1	1,594	1,860	64.0%	36.0%	0.0%	0.0%	0.0%
	Sub-total	–	–	15	1	1,594	1,860	64.0%	36.0%	0.0%	0.0%	0.0%
Total – all assets		774	–	4,193	4,407	210,379	300,500	26.3%	29.5%	42.6%	1.6%	0.0%

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

Infrastructure asset condition assessment 'key'

#	Condition	Integrated planning and reporting (IP&R) description
1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Carrathool Shire Council

Report on infrastructure assets as at 30 June 2021

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2021	Indicator 2021	Indicators		Benchmark
			2020	2019	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	12,060	170.65%	135.39%	80.24%	>= 100.00%
Depreciation, amortisation and impairment	7,067				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	774	0.36%	0.48%	0.50%	< 2.00%
Net carrying amount of infrastructure assets	212,594				
Asset maintenance ratio					
Actual asset maintenance	4,407	105.10%	98.46%	114.79%	> 100.00%
Required asset maintenance	4,193				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	—	0.00%	0.00%	0.00%	
Gross replacement cost	300,500				

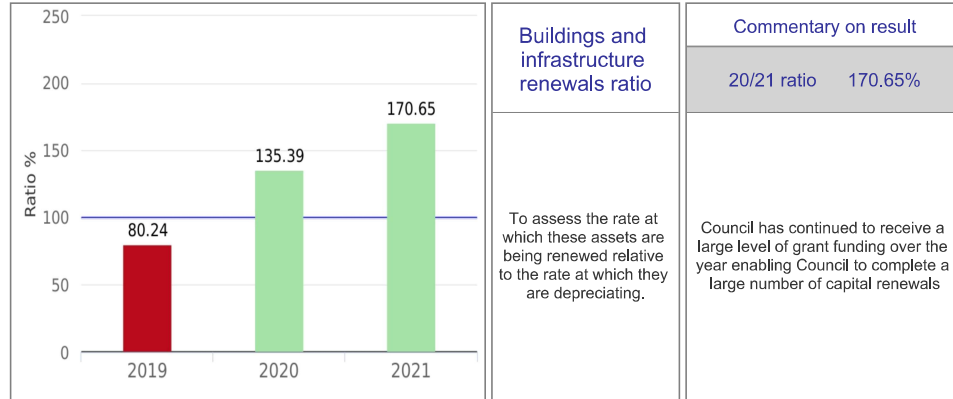
(*) All asset performance indicators are calculated using classes identified in the previous table.

(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Carrathool Shire Council

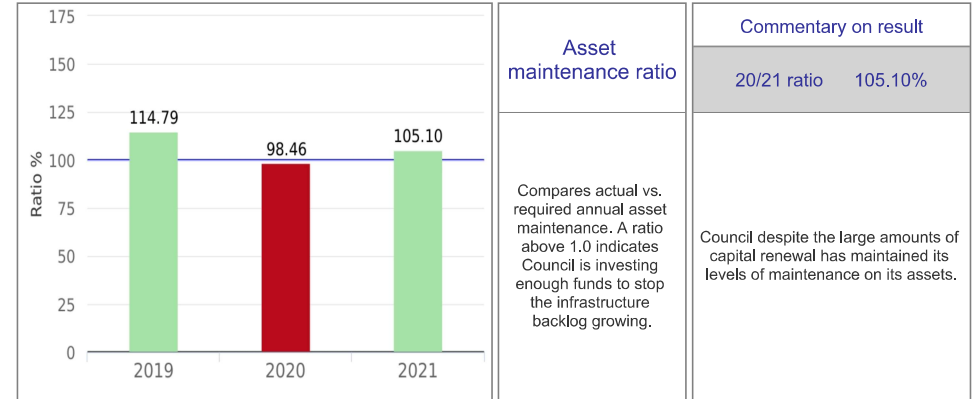
Report on infrastructure assets as at 30 June 2021

Buildings and infrastructure renewals ratio



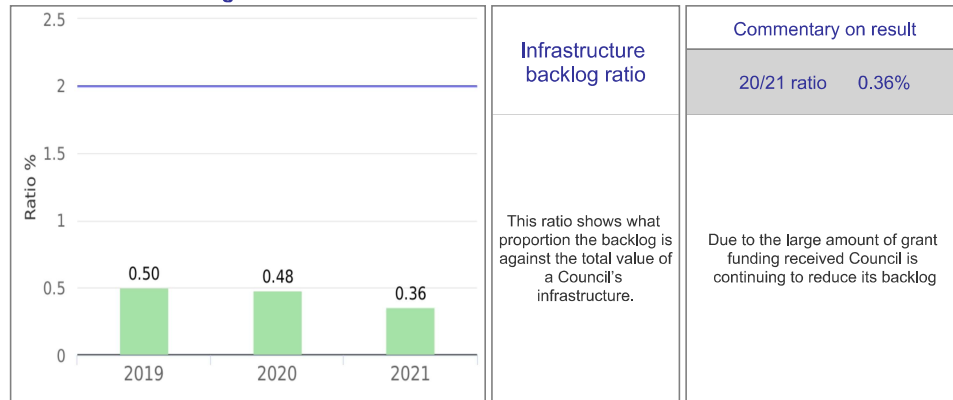
Benchmark: — $\geq 100.00\%$ ■ Ratio achieves benchmark
■ Ratio is outside benchmark
 Source of benchmark: Code of Accounting Practice and Financial Reporting

Asset maintenance ratio



Benchmark: — $> 100.00\%$ ■ Ratio achieves benchmark
■ Ratio is outside benchmark
 Source of benchmark: Code of Accounting Practice and Financial Reporting

Infrastructure backlog ratio



Benchmark: — $< 2.00\%$ ■ Ratio achieves benchmark
■ Ratio is outside benchmark
 Source of benchmark: Code of Accounting Practice and Financial Reporting

Cost to bring assets to agreed service level



Carrathool Shire Council

Report on infrastructure assets as at 30 June 2021

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2021	2020	2021	2020	2021	2020	
Buildings and infrastructure renewals ratio							
Asset renewals ¹							
Depreciation, amortisation and impairment	203.13%	152.73%	0.00%	42.69%	0.00%	33.61%	>= 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	0.45%	0.60%	0.00%	0.00%	0.00%	0.00%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	106.21%	98.44%	106.41%	95.86%	60.95%	113.45%	> 100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.