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2021-2022 Annual Report





Council acknowledges the Wiradjuri people as the Traditional Owners of the land on which the Carrathool Shire Local Government Area is a part, and pays its respects to their Elders, past, present and emerging.

Viewing this Annual Report

A copy of this annual report and various other Council publications are available on Council's website www.carrathool.nsw.gov.au/about-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 Image:
Cocoparra National Park



Community Vision & Goals

Council Vision

"To protect and promote quality of life in harmony with economic development and environmental sustainability."



To achieve our vision 5 goals were introduced in our 'Towards 2030' (2017-2022) Community Strategic Plan:

An Inclusive,
Connected and
Healthy
Community

Infrastructure
for a
Sustainable
Future

Growing and
Diverse
Economy

Sustainable
Natural
Environment

Leadership
and
Governance

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Welcome

Our Annual 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 thorough account of Council’s performance from 1 July 2021 to 30 June 2022 and shows progress made in relation to the 2021/2022 Operational Plan

The audited financial statements for the 2021/2022 reporting period are also included within this Annual Report.

The report is separated into three sections showing information relating to the region, the organisation and Councillors, as well as specific information required under legislation.

Section 1: Overview of Council including a message from the Mayor.

Section 2: Information regarding all Council departments, showcasing projects and achievements throughout the year.

Section 3: Additional information including legislative requirements not covered in the main body of the report.

Integrated Planning and Reporting

Integrated planning and reporting (IP&R) describes the system of integrated business planning for local government in New South Wales (NSW). The IP&R process stems from the central assumption that all council planning should originate from a sound understanding of the community’s expectations around priorities and service levels.

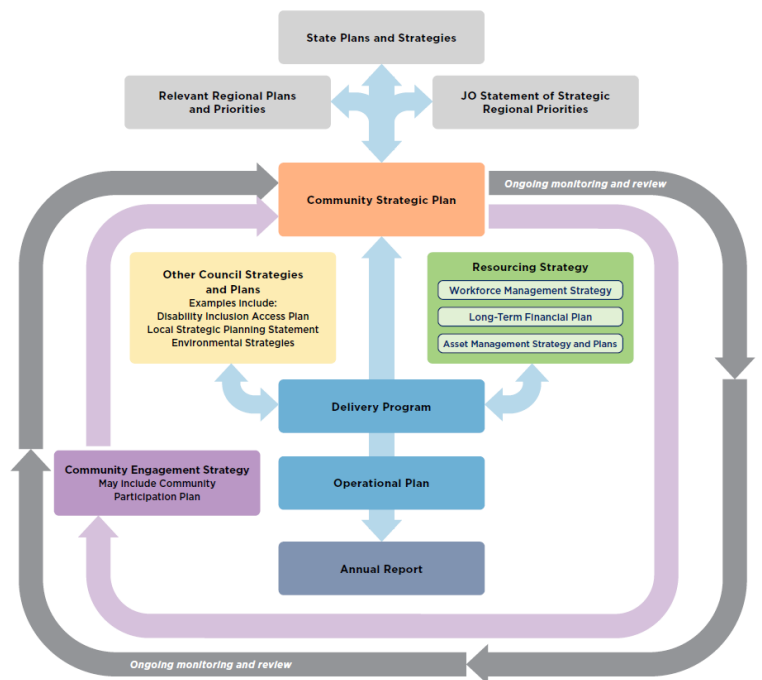
To support the Community Strategic Plan effectively, councils are required to develop a Resourcing Strategy which includes:

- a Workforce Plan
- an Asset Management Plan, and
- a Long-Term Financial Plan

All plans must integrate with other internal documents including the Local Environmental Plan and Local Strategic Management Plan.

This planning framework provides guidance for councils operating in an increasingly complex environment, with responsibilities under multiple pieces of legislation and direct relationships with over 20 NSW and Commonwealth Government agencies. Council must engage to a large degree with issues outside its area of immediate influence and responsibility and it is also required to ensure the Community Strategic Plan reflects the key objectives of the State Plan.

Sitting under the ten-year plan, Council is required to develop a Delivery Program which is supported by one-year Operational Plans. Combined, these plans will provide the detail of actions taken to implement the strategies and objectives outlined in the ten-year Community Plan.



Message from the Mayor



It is with a great deal of pride and satisfaction that I present to our residents the 2021/2022 Annual Report.

After much delay the Council elections were held on 4 December 2021. For Councillors Russell Campbell and Scott Groat who did not stand for re-election I thank you for your service to the community over the past years. To our newly elected Councillors Cr Heather Lyall, Julie Potter, Leon Cashmere and Damon Liddicoat welcome to Council and I hope your time is productive and enjoyable. Returning as Councillors are Cr Geoff Peters, Bev Furner, Mick Armstrong, Bill Kite and David Fensom. I wish to thank all Councillors for their confidence in me and electing me as Mayor for another term.

Despite the challenges of the 2021/2022 year, Council has been successful in continuing to provide services to the community including upgrades to much of our infrastructure giving a sound base for the future.

Our Council area has been recognised by the Australian Bureau of Statistics as the most productive agricultural local government area in NSW. Naturally the ability to efficiently transport produce to market is essential. In recognition of this Council continues to have a priority focus on our road network.

It is worth noting the following outcomes that were achieved throughout the year.

- Completion of the Jacksons Bridge over the Lachlan River at Hillston.
- Continued work on the Carrathool Road which is anticipated to be sealed by Christmas 2022.
- Additional sealing of the Springs Road 4 kilometres.
- Completion of flood damage works to roads across the shire.

Other works undertaken during the year include:

- Refurbishment of public amenities throughout the shire and to the Hillston Hall.
- Completion of new amenities at the Goolgowi Sports Ground.
- Resealing of the Hillston aerodrome runway.

Council is also pleased to have been able to increase opportunities for our youth throughout the year and also to bring the community together for several social activities around the Christmas period.

Finally, I would like to thank our staff who have made possible the achievements of Council and for the provision of services to the community throughout the year.



Mayor Cr Darryl Jardine



About Carrathool Shire Council

Located in the Riverina region of New South Wales, Carrathool Shire is about 570 kilometres North of Melbourne and 680 kilometres West of Sydney and covers an area of almost 19,000 square kilometres. Named after an aboriginal word meaning “native companion”, Carrathool Shire was home to the Wiradjuri people for more than 40,000 years.

Explorer John Oxley was selected to lead an expedition to map the course of the Lachlan River in 1817. John Oxley’s expedition passed near what is now Rankins Springs, followed the Lachlan Range north to near Lake Brewster, and then continued west to pass just to the north of what is now Hillston, before heading down river. Oxley reached the conclusion that the area was a marsh, barren, and uninhabitable. Less than 30 years later, pioneers had begun to settle on the land Oxley had passed through.

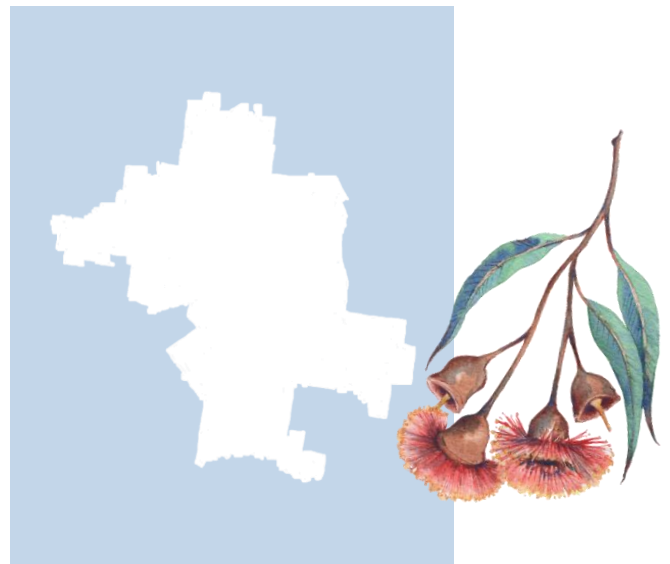
Carrathool Shire is a predominantly rural area, made up of the town of Hillston and the surrounding villages of Goolgowi, Merriwagga, Rankins Springs, and Carrathool. The Shire encompasses a total land area of about 19,000 square kilometres and has a population of 2866 people (2021 census). The fertile soil, access to irrigation schemes and gentle topography creates opportunity for continued growth of the shires agri-business and supporting services. The land is used largely for agriculture and horticulture, particularly sheep and cattle

grazing, poultry farming, and cotton and rice growing. Citrus and other fruits, nut, olives, and vegetables also contribute strongly to the local economy.

Carrathool Shire Council’s topography and climate are also favourable for alternate sources of energy production. Solar farms are increasing in prevalence throughout western NSW.






Carrathool Shire Council’s vision is to protect and promote quality of life in harmony with economic development and environmental sustainability.

Council’s mission is to provide the community of Carrathool Shire with cost effective works, services, and planning, fundamental to the progression of quality of life.



Who We Are

average age	working age population	one parent families	couples with children	average children in family
38	64%	14%	42%	1.9

				
working full-time	speak a language other than English	households renting	households with a mortgage	home internet access
68%	21%	28%	20%	71%

	born overseas	26%	hold a vocational qualification	23%	
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current population 2021	estimated population 2031	estimated population 2041
2,866	2,650	2,500

Top Industries of Employment

		
Grain Growing	Grain Sheep Farming	Grain Beef Cattle Farming

Source: Australian Bureau of Statistics | NSW Department of Planning, Industry and Environment

Our Council

The people of Carrathool Shire are represented by 10 Councillors who are elected every four years. The Shire is divided into two wards with five Councillors elected from each. The Mayor and Deputy Mayor serve for a term of two years and are elected by the Councillors.

The last Local Government election was held in December 2021 - this election was supposed to take place in September 2020 but was postponed due to COVID-19. The next Local Government elections are due to take place in September 2024.

Carrathool Shire Councillors

2022 - 2024

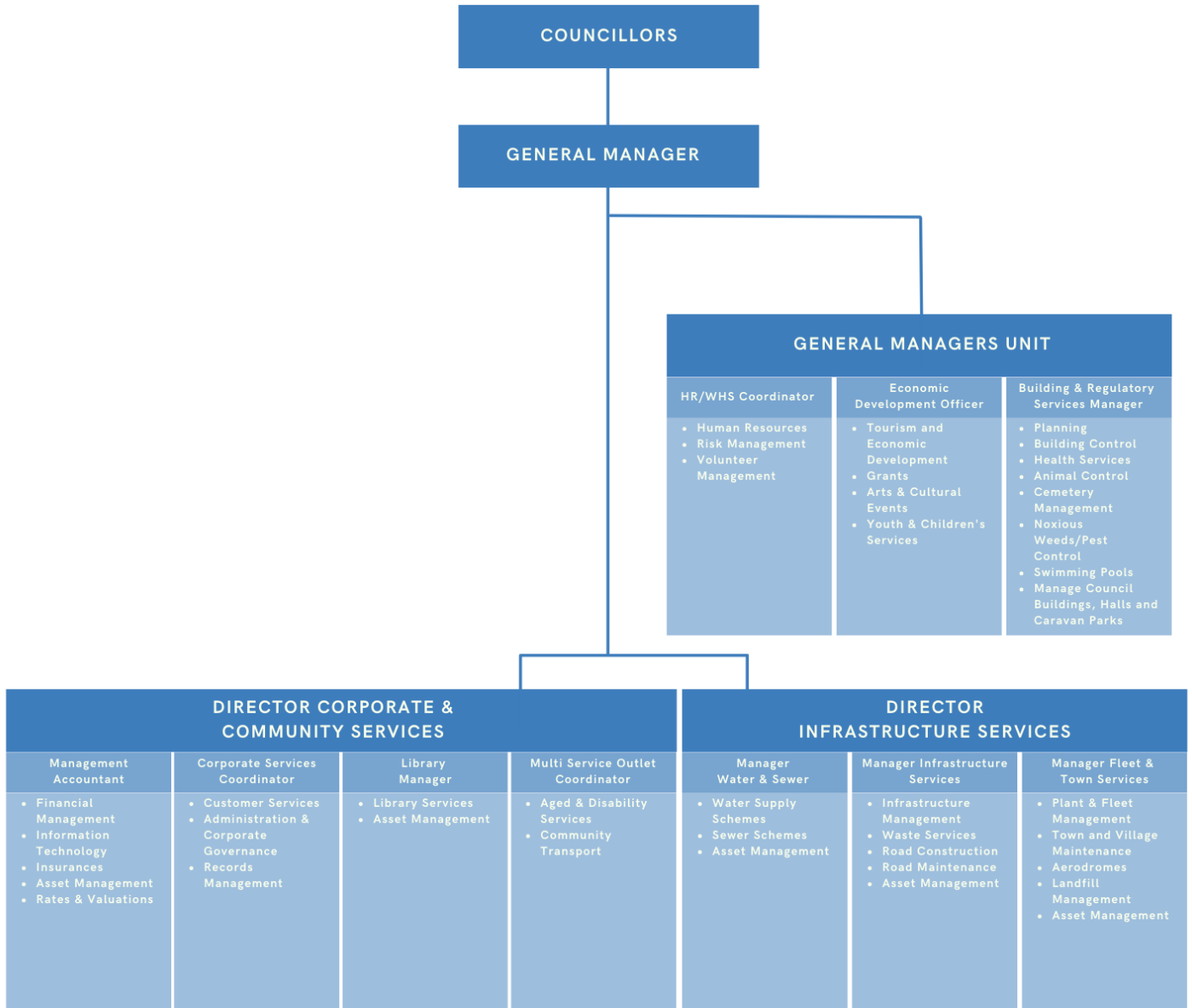


During 2021/2022 ten ordinary and one extra ordinary council meetings were held. The agendas and minutes as well as links to the audio from these meetings is available on Council's website.

Council holds its Council meetings on the 3rd Tuesday of each month and in accordance with Council policy one meeting each year is held in an urban centre other than the Goolgowi Council Chambers or the Hillston District Office. The September 2021 meeting of Council was held at the Merriwagga Community Hall, Merriwagga.

Organisation Structure

During 2021/2022 the organisation was split into two directorates and a General Managers Unit, as shown below.

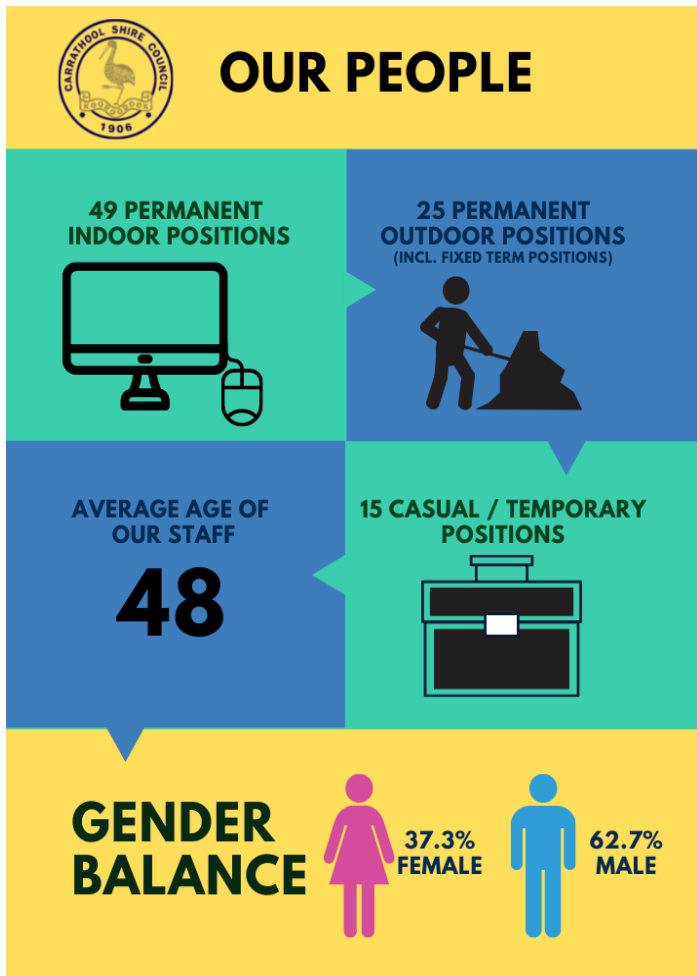


ROLES

SERVICES



HR / Risk Highlights



Our People

Council has a staff complement of 84.07 full time equivalent employees as at 30 June 2022.

Over half our staff are positioned at the operational level (62.89%) with management representing 9.52% of the workforce.

In 2021/2022 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 & Retention

During 2021/2022, Council’s staff turnover was **46.39%**. This figure includes seasonal positions and casual roles. Adjustment for transitory positions brings Council’s turnover rate to **27.36%**. 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 “CS:Connect”
- 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 & Development

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

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

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 2021/2022, Council offered a range of professional development opportunities to staff:

Chainsaw
Forklift Training
Basic Wastewater Training
Challenging Conversations Training
Consultative Committee Training
Cert III Civil Construction
Chemcert Reaccreditation
Confined Spaces Training
Chainsaw Cross Cut
First Aid Reaccreditation
Lifeguard Refresher
Governance Training
Sharps & Infectious Waste Handling
Working Safely Near Electrical Apparatus
Traffic Control Training
Conduct Civil Construction Grader Operations
Drum Muster Inspector Training
Implant Microchip in Cats and Dogs

Council held its annual ‘CS:Connect’ (formerly ‘Carrathool Kick Start’) – a health, wellbeing, and training day in May 2022. 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.

Our Values



Staff Health & Wellbeing

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, access to quit smoking advice, drug and alcohol information and mental health initiatives 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 2021/2022 included Signs as Remote Supervision, Roads, and Waste Management (fire).

Work Health & Safety

Council endeavours to promote a safety-oriented 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 Councils 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 2021/2022 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.





Economic Development Highlights



Economy

Agribusiness is continuing to be Carrathool Shire’s major economic driver with the 2021-2022 Census data revealing that Carrathool Shire is the most agricultural productive local government area in NSW and ranked 3rd in Australia.

Create and Connect With Your Community

International Women’s Day saw a series of Create & Connect workshops held throughout the Shire. These workshops were well attended and were held in Goolgowi, Hillston, Carrathool and Rankins Springs. These events allowed the participants to connect with each other while enjoying creating and artwork.

Pool Parties

Council once again celebrated the arrival of summer with pool parties in Hillston and Goolgowi. This marks the third year these pool parties have been held and once again they were a great success with over 250 people through the gates over both dates.

Buy Local Campaign

Carrathool Shire Council partnered with Why Leave Town to create the “Shop Carrathool Shire Gift Card Program”. This program is designed to encourage locals to spend money within our Shire. Council continues to promote and encourage businesses and locals to utilise the shop local cards to keep money within the Shire.

Christmas Buy Local Promotion

During December 2021 Council once again held the Christmas Buy Local Promotion. Over the 4 weeks leading up to Christmas \$7,000 was given away on Shop Carrathool Gift Cards to promote local business in the shire during the Christmas period.

During the Christmas promotion over \$40,000 worth of receipts were placed in the prize barrel to be in the running to win.

Shop Carrathool Shire



Australia Day

The 2022 Australia Day celebrations were hosted by the Carrathool community at the Carrathool Hall, in the form of a 'Family Fun Day' including water slide, laser tag and live music. The event was attended by over 100 people who celebrated the achievements of all individuals and community groups nominated.

The 2022 Australia Day Ambassador for Carrathool Shire was Elysha O'Neill. Elysha is an Australian Waterpolo Player who has played for both junior and senior national teams. She is also known for her volunteering and charity work. The 2021 Citizen of the Year was Pat Flanagan from Gunbar, while the 2021 Junior Citizen of the Year was shared by the 'Goolgowi Legends', the year 5 & 6 school children from Goolgowi Public School who competed in the first Lego League National Competition.

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.

Youth Week 2022

Youth Week 2022 celebrations were well attended with two separate events hosted over a two-week period. First Luke Vineburg, a local Wagga Wagga artist visited to provide a 'Street Art Workshop', this was then followed by an outdoor movie night utilising the new score board at the Stan Peters Oval. Council provided free entry and popcorn to all while the Hillston Swans Football & Netball Club provided drinks and food to purchase. This event was made possible by funding from the NSW Government.

Tourism

Carrathool Shire continues to welcome travellers including "grey nomads" with their caravans to the Shire, with an increase in travellers which can be attributed to the border closures early in the year. 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 promote our shire by participation in the Kidman Way Promotional Committee and membership to The Riverina tourism group.



Australia Day 2022 – Carrathool Family Fun Day



Goolgowi Create & Connect – May 2022

Grant Funding 2021/2022

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) – General Component	\$5,606,047
FAG – Local Roads	\$3,270,836
Australia Day Grant	\$18,774
Building Better Regions Fund	\$48,953
Federal Government Road to Recovery Program	\$1,456,711
RMS State Roads	\$1,836,168
RMS Block Grants (Regional Roads)	\$1,826,319
Roads Flood & Storm Damage	\$7,256,234
Fixing Country Bridges – Jacksons Bridge	\$1,774,648
Fixing Local Roads – Carrathool Road	\$4,661,370
Noxious Weeds Program	\$42,336
Local Roads & Community Infrastructure Program R2 – Various Projects	\$770,277
Local Roads & Community Infrastructure Program R3 – Hillston Water Tower Refurbishment	\$269,713
Stronger Country Communities R3 – Various Projects	\$49,261
Stronger Country Communities R3A – Various Projects	\$216,470
Stronger Country Communities R4 – Various Projects	\$112,025
Crown Lands Grant – Hillston Caravan Park Amenities	\$88,545
Hillston Floodplain Study	\$6,171
Hillston Remote Airstrip Upgrade	\$104,824
Planning Portal Grant	\$25,989
Government Pensioner Rates Subsidy Program	\$31,501
Youth Grants	\$10,313
Library Grants	\$66,877
Community Care	\$666,449
	\$30,216,811



Corporate & Community Services Highlights

Financial Results

Council reported an operating surplus before capital grants and contributions of \$7.642 million for the year ended 30 June 2022 (2021 – deficit of \$1.611 million).

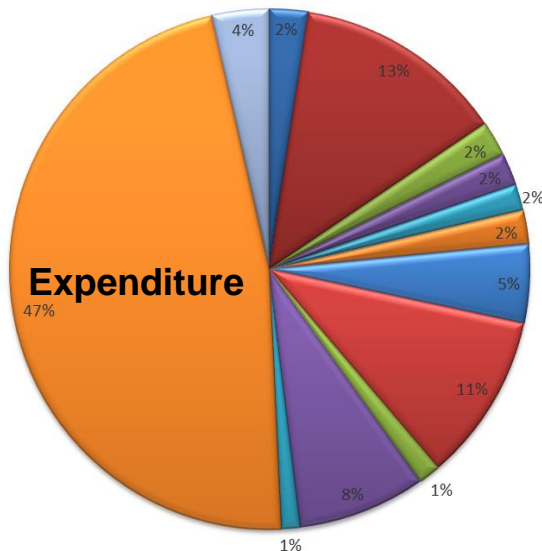
Excluding capital grants and contributions, operating revenues for the year were \$31.34 million an increase of approximately 26.5% on the previous years figure of \$24.76 million, whilst during the same period operating expenses were \$26.693 million, including depreciation expenses of \$6.161 million, a decrease of approx. 10.2%.

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

In addition to operating revenues, Council received capital grants and contributions amounting to \$8.046 million (2021 - \$3.573 million).

In the twelve month period to 30 June 2022 Council’s operating result from continuing operations (including capital grants and contributions) was a surplus of \$15.688 million compared with a surplus of \$1.962 million in the previous year.

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



- 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

Aged & 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.

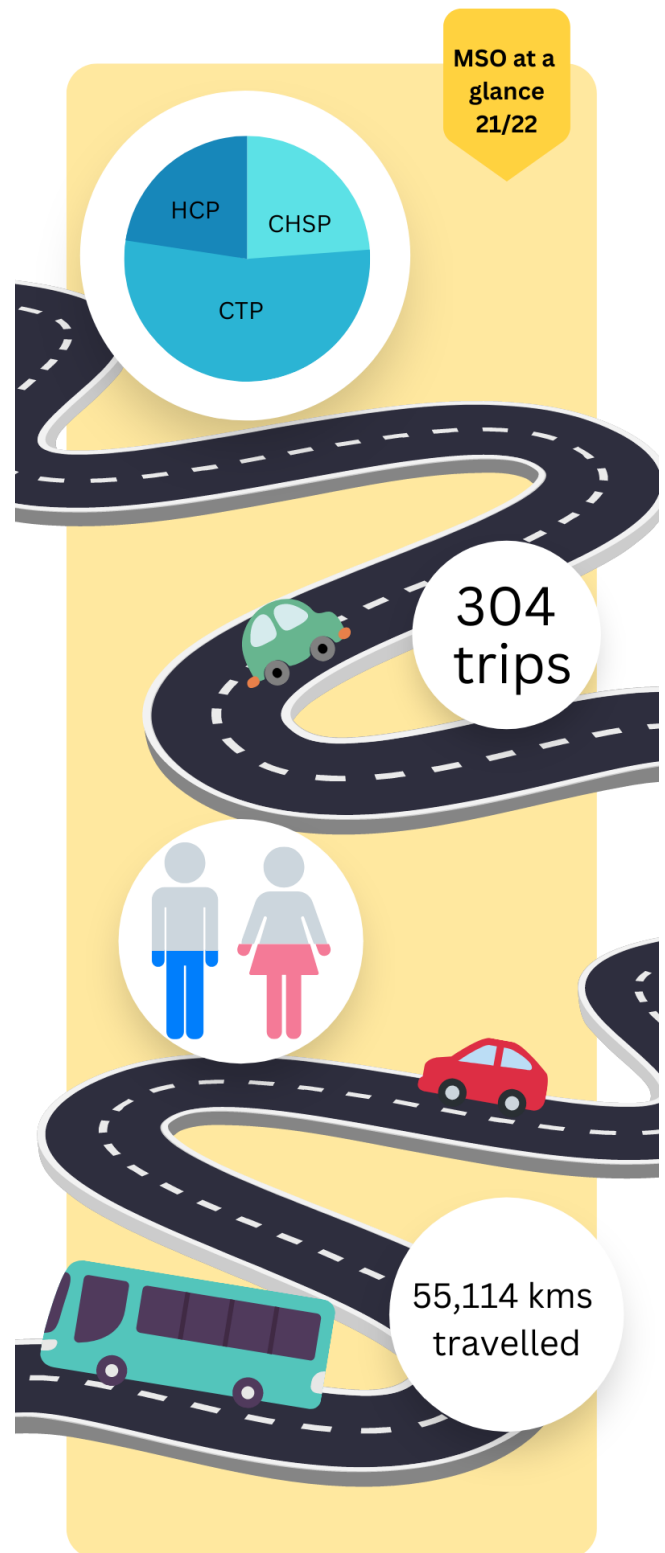
This service is available to all residents, and is used to assist with maintaining social inclusion, accessing goods and services for daily living, and providing a connection to other public transport.

Moving into next year we are planning to implement a monthly community shopping bus to assist residents to gain access to the services that are unavailable in our own shire.

Respite & Days Out proved popular with our clients once again with respite sessions running weekly on a Wednesday in Goolgowi.

Our clients also enjoyed various outings throughout the year, including:

- Christmas Special Show, Griffith Regional Theatre
- MSO Christmas Party
- Altina Wildlife Park
- Melbourne Cup Day Luncheon
- Sara Storrer Concert, Hillston



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.

Library Services

Carrathool Shire W.G. Parker Memorial Library is a multipurpose facility that provides services that reflects 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.

Library Funding

During the 2021/22 year Local Special Projects Funding was used to purchase large print books, tables and chairs for the junior section, 1000 books before school program, a data projector and screen, painting of the library and digitization's of historic local information.

Events and Programs

During 2021/22 our library remained at the centre of our community and held many events for residents and visitors.

- Rhyme Time is held every Tuesday and converts to Story Hour during the school holidays to involve school aged children as well.
- Seniors Week 2022 was a great success with a luncheon event and a special guest of 'Bush Poet' Jon Vagg. We utilized the newly purchased projector and screen to show some of the library's local history collection.
- National Simultaneous Storytime was celebrated with our local children at Billylids Early Learning Center this year with Library Assistant Lyn reading the story "Family Tree" by Josh Pyke.

Hillston Library 2021/22



Library Visitors

The number of visitors to the library is much lower than in previous years at 19,178. Covid-19 restrictions including lockdowns, mandatory mask wearing and QR sign in requirements both either prevented or deterred people visiting the library.

Mobile Library

Carrathool & Narrandera Shire Councils successfully applied for Public Library Infrastructure Grant for a new Mobile Library in 2019/2020. It is expected the Mobile Library will be completed and visiting our towns and schools by September 2022.



National Simultaneous Story Time – May 2022



Story Hour Crafts - September 2021



Major Capital Works

Jacksons Bridge, Hillston

During the 2021/2022 financial year the new Jacksons Bridge over the Lachlan River at Hillston was completed.

The new Jacksons Bridge was funded by the NSW Government's 'Fixing Country Bridges Program' with a total project cost of \$2.2 million.

Works began May 2021 and the new bridge opened up to traffic on 24 December 2021, with the official opening of the bridge held 11 June 2022. The bridge opening was officiated by Mayor Cr Darryl Jardine with the Hon. Wes Fang MLC joining proceedings.

Carrathool Road - Pave & Seal

2021/2022 saw continuation of the sealing works on Carrathool Road. The Carrathool Road Pave & Seal project has been funded by the NSW Government's Fixing Local Roads program.

Currently Council has completed 21.5km of sealing works with 19km remaining 19km (40.5km in total). Sealing works are currently planned for later in the year due to unsuitable weather conditions.



Carrathool Road – Pave & Seal March 2021





Jacksons Bridge – Completed December 2021

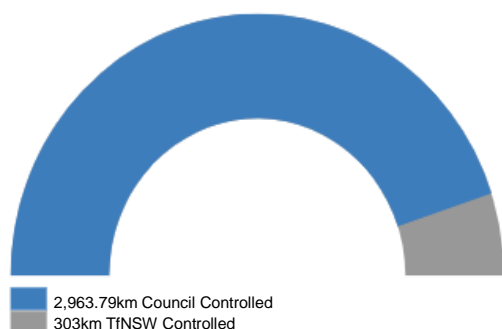
Infrastructure Services Highlights

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 \$540,000. The required annual maintenance cost of public works for 2021/2022 is \$4.324 million. The current actual spend on annual maintenance of public works for 2021/2022 was \$6.7 million.



Roads

Carrathool Shire's geographic area of 19,000 square kilometres includes a total road length of 2,963.79 km; of this 2,693.79 km is controlled by Council with the remaining 303 km (State Highways) under the control of Transport for NSW (TfNSW).

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 TfNSW.

Council Roads	Length Km
Sealed	537.83
Unsealed	2,122.96
Total	2,660.79

TfNSW State Highways	Length Km
Kidman Way (MR80 & MR410S)	148
Burley Griffin Way (MR84S)	9
Mid Western Highway (SH6)	123*
Cobb Highway (SH21)	24*
Total	303

*Not part of TfNSW Road Maintenance Council Contract

During 2021/2022 the following road works were undertaken:

Roads 2 Recovery Program (R2R)

Road Name	Type	Cost
Tabbita Lane	Reseal	\$191,000
Lachlan Valley Way	Reseal	\$118,388
Mossgiel Road	Reseal	\$64,862
Mossgiel Road	Construct & Seal	\$692,750
Total		\$1,067,000

RMS Block Grant – Capital Works

Road Name & Works Completed	Cost
MR368 - Construct & Seal 2km & Culvert Installations	\$500,000
Total	\$500,000

Fixing Local Roads Program

Road Name & Works Completed	Cost
Carrathool Road – Construct & Seal 9km & Culvert Installations	\$1,750,000
Total	\$1,750,000

RMS Repair Program – Capital Works

Road Name & Works Completed	Cost
MR368 - Pave & Seal 2.2km & Culvert Installations. Line Marking 7.7km	\$534,000
Lachlan Valley Way – Heavy Patches	\$64,410
Tabbita Lane – Heavy Patches	\$95,810
Total	\$676,220

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.



Mossgiel Road – Construct & Seal

Local Roads – Capital Works

Road Name & Works Completed	Cost
MR368 – Line Mark 31.17km (Centre & Edge Lines)	\$26,473
Erigolia Road – Line Mark 96.12km (Centre & Edge Lines)	\$75,562
MR321 – Line Mark 27.83km (Centre & Edge Lines)	\$20,900
Jennings Road – Culvert Installation	\$26,566
Woods Road – Gravel	\$9,000
Lachlan River Road – Culvert Pipe Extension	\$500
Total	\$159,001

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 Combo Street, Goolgowi – from Caravan Park

Kerb & Gutter:

- Replacement in Moore Street, Hillston
- Replacement in Charles 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 2021/2022.

The following capital works were completed on the Hillston Aerodrome for 2021/22.

Remote Airstrip Funding Round 8	Cost
Hillston Aerodrome Taxiway Rehab & Apron Work	\$97,583
Total	\$97,583

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.

Major Plant Purchases:

- Bogie Drive tipper truck
- Combination Roller
- Tractor
- S/H prime mover truck
- Quad axle low loader

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 2021/2022 include:

- Hillston approach improvements with new tree line and watering system.
- New and upgraded watering systems for:
 - John Woods Park Hillston
 - Hillston Street Gardens

- Rankins Springs Cemetery
- Rankins Springs parks and Caravan park watering system
- Parks within Goolgowi and Carrathool.
- Remediation and tree planting at Rankins Springs
- Parks and Playgrounds:
 - New park seating in various locations around Goolgowi.
- Stan Peters Oval Upgrades:
 - Oval beautification
 - Hillside turf & sprinkler system

Floodplain Management

The Hillston Floodplain Management Study & Plan (2018-19-FM-0009) was due for completion by the end of September 2022. However the expected completion date has now been

amended to 30 November 2022. Milestone 3 and 4 have been completed at a cost of \$33,000.00 with the final milestone of \$10,580 due on completion of the project.

The final Plan has been prepared, gone to public exhibition and is now due to be submitted to council for adoption at the November 2022 Council Meeting.

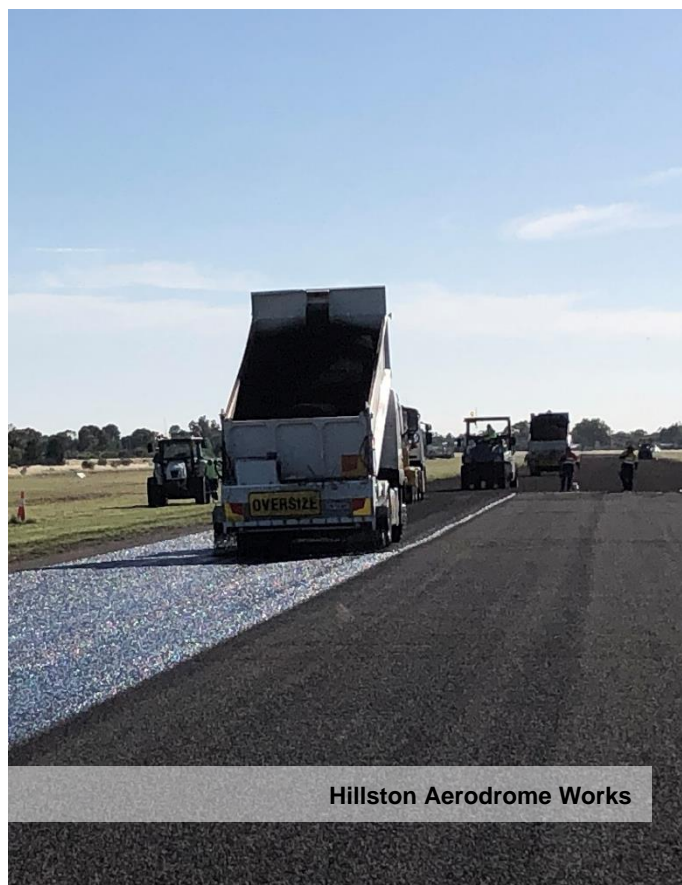
Funding was requested and granted for the Rankins Springs Flood Study (2021-FMP-0006). This study will focus on the area of Sims Gap located near the township of Rankins Springs. The project has gone to Tender and this study is expected to commence as soon as practicable and is scheduled for completion by October 2023.

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 and other regulatory requirements. Potable water is supplied to the township of Hillston and the villages of Goolgowi, Merriwagga, Carrathool, and Rankins Springs.

The council conducts on-site water quality tests and sends samples away to NATA accredited laboratory for independent testing in consultation with Public Health Unit. All water quality results are updated quarterly on the council website.

The NSW Department of Planning and Environment officer inspects all council facilities bi-annually and found them to be working satisfactorily for 2021/22.



Hillston Aerodrome Works

During 2021/22 Council completed the following capital works:

- Water mains Replacement:
 - 180m on Lachlan River Road, Hillston
 - 170m on Milton Street, Hillston
 - 2,000m on Rankins Springs Rural scheme
- A new storage shed was built at Hillston depot to store plant items securely.
- The council received a new generator for the Hillston Bore-2 site - this is currently awaiting installation.
- Under Local Roads & Community Infrastructure funding (LRCI), the council re-lined the 1ML capacity water tower at Hillston. This water tower had substantial leaks, and pipework deterioration over the years.
- The council have undertaken a bore condition assessment and pump test with the help of contractors to determine the viability and sustainability of current supply sources.
- The Council have undertaken corrective works for the Hillston Bore-2, Bore-4, and Langtree bores to meet Water NSW guidelines and prevent future contaminations.

- An inspection of the water and sewer telemetry network found the system to be working in satisfactory condition, with only some minor repair works carried out on sites.

The Rankins Springs Water Treatment Plant is consistently performing well under the constant supervision of DPIE officers.

Integrated Water Cycle Management System

Council is developing the IWCM strategy under the Safe and Secure Water Program (SSWP). The council has reviewed a draft IWCM issue paper and a 30years asset renewal plan.

IWCM is a local water utility's resourcing strategy for providing appropriate, affordable, cost-effective and sustainable urban water services that meet community needs and protect public health and the environment.

The bore condition assessment suggests that all bore fields have more than 15 years of structural life and have secure water supplies.

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 are designed to efficiently collect, transport, and treat the community's sewage and liquid waste efficiently and cost-effectively.

During 2021/22 Council completed the following capital works:

- Condition assessment of all sewer wells at Goolgowi and Rankins Springs.

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

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

**INFRASTRUCTURE
2021/2022**

\$1,363,908

Major Plant Purchases



8,215.25 hours

Parks & Gardens
Maintenance



41.37km

New Sealed Roads



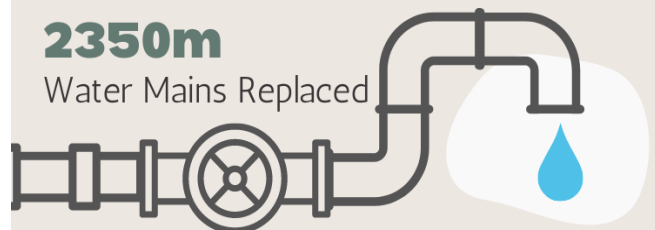
124

Chemical/Micro Water Samples
Submitted to NSW Health



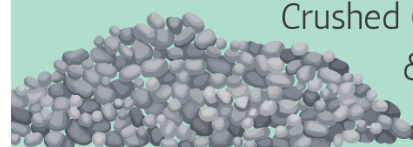
2350m

Water Mains Replaced



39,717.99 tonnes

Crushed Gravel onto Local
& Regional Roads





Building & Regulatory Services Highlights

Buildings and Public Amenities

Council controls land and buildings valued at:



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

During 2021/2022 works were completed at several Council facilities:

- Hillston Hall – Toilet Refurbishment
- Carrathool Sports Ground-New Toilet Facility
- Goolgowi Park-Toilet Block and Skate Park refurbishment
- Wilkie Place Goolgowi-Refurb rear room with new toilet facilities

Development & Building Control

Council's Local Environmental Plan (LEP) 2012 has been in place for ten years and is generally accepted by the community.

During 2021/2022 the LEP was reviewed in part and two planning proposals commenced with the New South Wales Department of Planning. The corner of Haines and McGregor Street, which contains 20 lots, is proposed to change from RU1 Rural to RU5 Village. High Street Hillston, from The Kidman Motel to the intersection of High and Haines Street, is proposed to change from RU5 Village to E1 Local Centre.

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 \$68,559,580.

Development Applications	42
Complying Development Certificates	1

Cemeteries

Council manages four cemeteries, 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 2021/2022 Council continued its upgrade of the Caravan Parks. The 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.

The Hillston Caravan park between July 2021 and June 2022 serviced a total of 5323 occupants, 3884 of which were short stay travellers.

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.

Hillston change rooms refurbishments valued at \$85,000 were made possible by Stronger Country Communities funding and are expected to be completed for the 22/23 pool season.

Waste Management – Landfills

Council operates and maintains 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, Rankins Springs 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 2021/2022 saw the continuation of one Biosecurity Officer, associated equipment to control biosecurity threats, carry out inspections, and educate landholders throughout the shire’s 19,000sq km area.

Private Property Inspection Program

During 2021/2022 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 enlisted 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 2021/22 no biosecurity 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
- Spiny Burr Grass Map
- Silver Leaf Night Shade
- Clockweed
- Coolatai Grass



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 January 2022 and readopted by Council on 15 February 2022. 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 2021/2022 financial year:

Detail	Amount \$
Mayoral fees	\$24,805.00
Councillors' fees	\$103,333.00
Councillors' expenses:	\$17,209.77
Total	\$145,341.77

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

Detail	Amount \$
Provision of facilities	Nil
Telephone calls	Nil
Conferences and seminars	\$5,528.74
Training and skills development	\$6,050.00
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 2021/2022.

Councillor Training & Skills Development

All Councillors undertook training on the role and responsibilities of councillors in April 2022.

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 2021/2022 is as follows:

Detail	Amount \$
Salary	\$243,780.90
Employer compulsory superannuation	\$24,109.16
Bonus or other payments	Nil
Non-cash benefit (house, phone & car)	10,000
Total fringe benefits	\$11,394.43
Total	\$289,284.49

Rates Charges Written Off

Local Government (General) Regulation 2005 Clause 132

Council wrote off the following rates and charges during the 2021/2022 financial year:

Detail	Amount \$
Rates Written Off	\$169.61
Water Charges Written Off	\$337.15
Sewer Charges Written Off	\$49.33
Total	\$556.09

During the year \$56,908.45 in rates and charges were written off under the pensioner rebate scheme with Council receiving a subsidy totalling \$31,500.73.

No request to write off rates and charges under Council's Hardship Policy was received during 2021/2022.

Legal Proceedings

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

Council incurred the following legal costs during the 2021/2022 Financial Year:

Detail	Amount \$
Debt Collection	\$23,457.51
Staff Matters	\$1,067.20
Lease Preparation	\$174.47
Total	\$24,699.18

Contracts Awarded

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

Council awarded the following contracts greater than \$150,000.00 during the 2021/2022 Financial Year:

Name	Nature	Amount
Civil & Earth Australia Pty Ltd	Hillston Riverbank Stabilisation Construction Works	\$946,960.00
LG Civil Pty Ltd	Carrathool Road Design & Construct	\$1,612,370.00
Midland Pty Ltd	Lowloader	\$279,874.10
LG Civil Pty Ltd	Carrathool Road Design & Construct	\$1,767,793.00
McMahons Earthmoving Pty Ltd	Vegetation Clearing Yoolaroi Scheme	\$178,200.00
Sustainable Oil Recovery Pty Ltd	Hillston Water Tower Refurbishment	\$216,315.00

Contributions & 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.

Council's Community Grants and Donations Policy outlines Councils annual grant opportunities and was reviewed in October 2021. The policy is available on Councils website.

Detail	Amount \$
Community Grants Scheme 2021/22 (20 applications)	\$17,220.79
Rankins Springs Golf Club Christmas Event	\$500.00
Hillston Triathlon	\$1,587.34
Anzac Day 2022	\$1,044.05
Rates waived for Community Groups	\$3,556.00
Charles Sturt Scholarship Scheme 2022	\$6,000.00
Life Education Van	\$342.08
Other minor community assistance	\$439.76
Total	\$31,690.02

Corporations, Partnerships, Trusts & Joint Ventures

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

Council held no controlling interest in any company during the 2021/2022 period.

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

Council was involved with the following organisations during 2021/2022.

- 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 2021/2022.

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

Works on Private Land

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

Council did not resolve to undertake any private works during the period 2021/2022.

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 2021/2022.

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 2021/2022.

Planning Agreements

Environmental Planning and Assessment Act 1979 Section 9.10

One planning agreement was in force during 2021/22 with ITP Developments Pty Ltd. This agreement has a value of \$100,000 plus CPI payable over 10 years.

Public Interest Disclosures

Public Interest Disclosures Act 1994 Section 31

Council received no Public Interest Disclosures during the 2021/2022 financial year.

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. This equates to \$360,028. 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.

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 current plan will be reviewed during the 2022/23 financial year.

Privacy & Personal Information

Privacy and Personal Information Protection Act 1998 Section 61A

Details	Number
Requests for Information	0
Internal Reviews	0

Swimming Pool Inspections

Swimming Pool Act 1992 Section 22F(2)

Details	Number
Certificates of compliance <i>Swimming Pool Act 1992 s22D</i>	3
Certificates of non-compliance <i>Swimming Pool Regulation 2018 c18BA</i>	3

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 2021/2022 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 9 reports of alleged dog related incidents.

Government Information (Public Access)

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

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

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

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

Total number of applications received
0

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	0	0
% of Total	0%	0%	

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	0	0	0	0	0	0	0	0	0%
Total	0	0	0	0	0	0	0	0	0	
% of Total	0%	0%	0%	0%	0%	0%	0%	0%		

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

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

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

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

Table C: Invalid applications

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

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

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

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

Table F: Timeliness

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

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%		

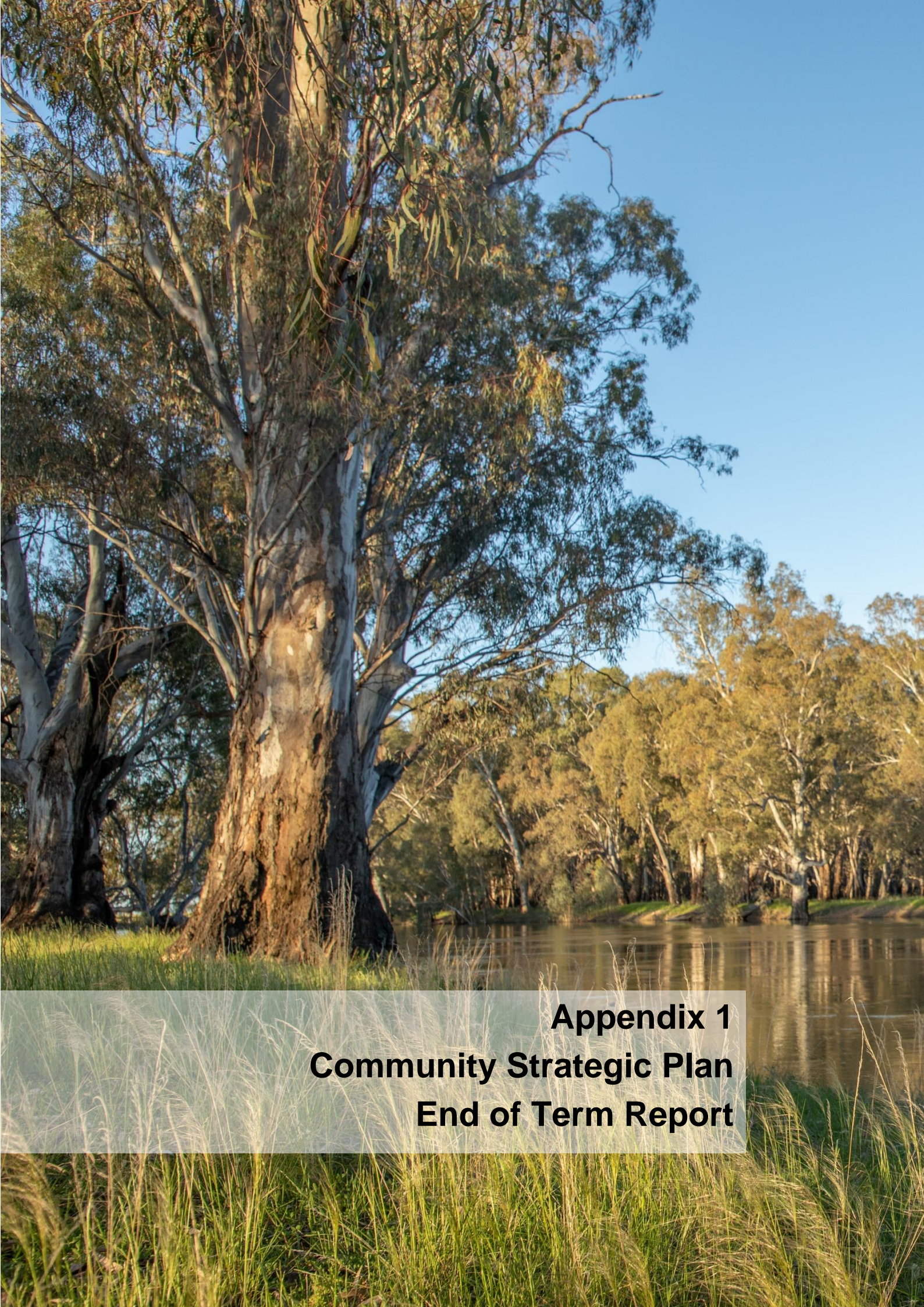
*The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

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
End of Term Report

Action	Responsible Directorate	Partners	Performance Measure	Target Quarter				Outcome
				1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	
1. An Inclusive, Connected and Healthy Community								
1a. Increased transport options for all sectors of the community								
1b. A connected community for pedestrians through well planned walking tracks								
1b(ii) Implement Footpath Master plan	MFTS		Footpath Master plan implemented		x	x		Draft plan partially completed
1c. A community where young people are engaged and valued								
1c(v) Install youth page on Council Website	EDO		Youth page operating			x		New website developed and online, with youth page partially developed
1d. An engaged and trusting community with strong social and support networks								
1e. A healthy community with access to services that meet community needs								
2. Infrastructure for a Sustainable Future								
2a. Carrathool Shire is connected through appropriate infrastructure to support freight and logistic								
2a(ii) Work with RMS to increase RMCC work leading to improvement in roads	DIS	Local producers and farms RMS	Improved RMS funding for Shire road improvements relevant to produce logistics			x	x	Ongoing discussions have been held
2b. Community infrastructure that is accessible for everyone								
2c. A community where increased number of community members have access to water supply								
2c(ii) Undertake a feasibility study to determine viability for any identified expansion	MWS		Feasibility study prepared and presented to Council				x	Council are currently undertaking an IWMC study
2c(iii) Implement asset replacement programme	MWS		Report to Council re W&S Asset Replacement Programme approved			x		5 year asset management plan developed

3. Growing and Diverse Economy								
3a. Establish Carrathool Shire as a welcoming and exciting place for our community and visitors								
3b. Growth (population and business development) is supported through revised land use planning								
3c. Promote opportunities for local economic diversity								
3c(iii) Canvas potential businesses to implement new business opportunities	EDO		New potential businesses identified and canvassed		x	x	x	GM's work in this area has been ongoing.
3d. Support partnerships to achieve positive outcomes for the community								
3e. A connected community with reliable telecommunications								
4. Sustainable Natural Environment								
4a. A community that thrives on sustainable farming practices								
4b. Educate our future generations about the natural environment								
4b(iii) Facilitate road side clean ups and other activities across the Shire	BRSM		Continued community engagement by Council with roadside clean-ups and similar activities	x	x	x	x	Roadside clean up has been suspended by the RMS
4b(iv) Support major events such as Tree Day and Clean Up Australia Day	BRSM		Major environmental events in Shire publicised and promoted as required	x		x		Events are ongoing and are supported as required.
4c. Consider recycling and waste reduction strategies								
4d. Provide a safe environment for the local fauna and flora								
4e. Promote an environment that is conducive to the production of high quality fresh fruit and vegetables								
5. Leadership and Governance								
5a. A community that values the opinions of all and supports young leaders to contribute to the community								
5b. Encourage more volunteering within the community								
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		Not yet completed
5c. The community to benefit by access to more community grants								
5d. The community to be better informed of local issues and activities and have increased opportunity to participate in decision making.								



Carrathool Shire Council

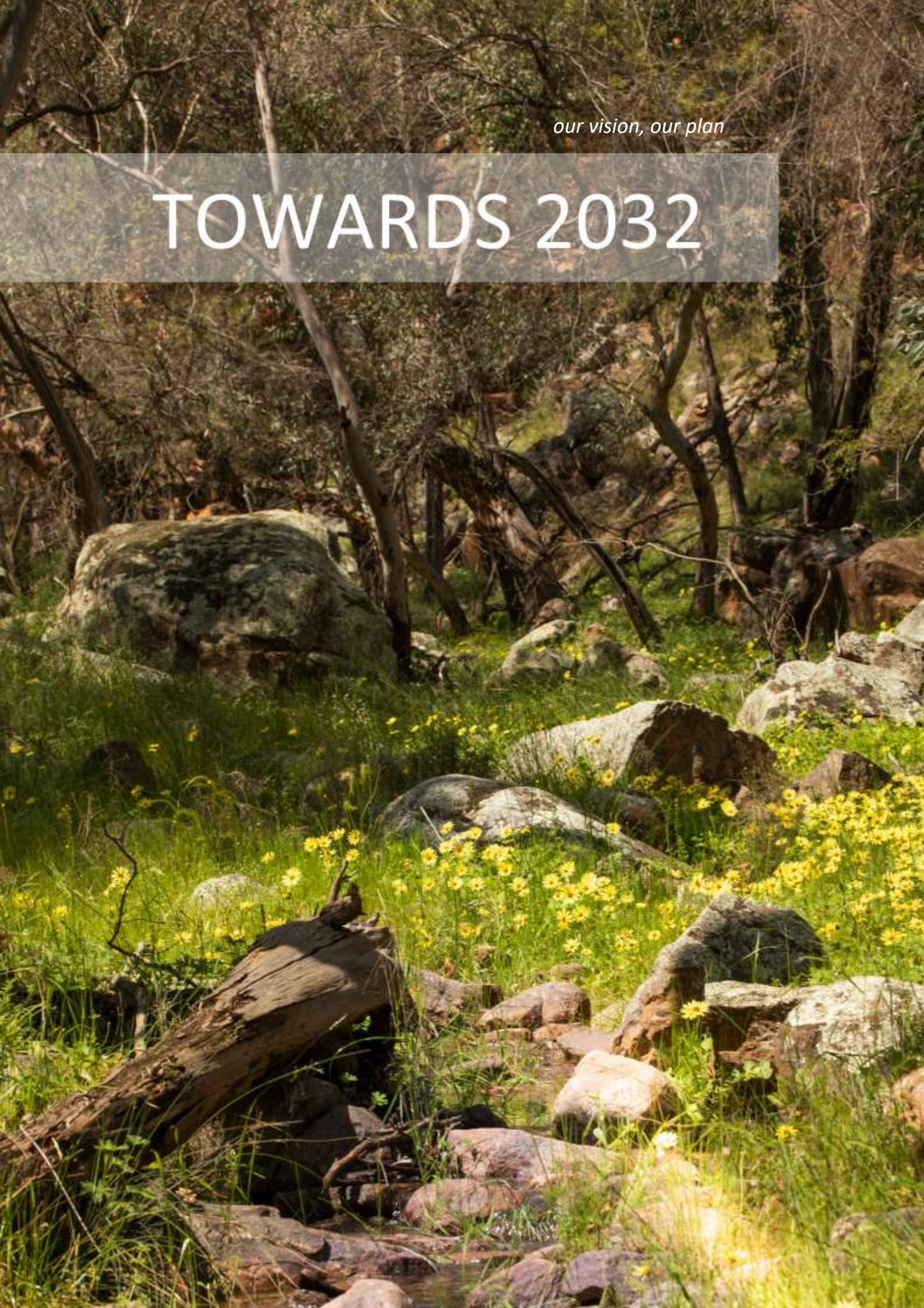
ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2022



our vision, our plan

TOWARDS 2032





Carrathool Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2022



Carrathool Shire Council

General Purpose Financial Statements

for the year ended 30 June 2022

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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 2022

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 2022.

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 2022

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

The attached general purpose financial statements have been prepared in accordance with:


- the *Local Government Act 1993* 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 20 September 2022.



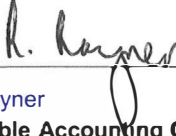
Cr Darryl Jardine
Mayor
20 September 2022



Rick Warren
General Manager
20 September 2022



Cr Beverley Furner
Councillor
20 September 2022



Robert Rayner
Responsible Accounting Officer
20 September 2022

Carrathool Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2022

\$ '000	Notes	2022	2021
Net operating result for the year – from Income Statement		15,688	1,962
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	11,398	894
Total items which will not be reclassified subsequently to the operating result		11,398	894
Total other comprehensive income for the year		11,398	894
Total comprehensive income for the year attributable to Council		27,086	2,856

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 2022

\$ '000	Notes	2022	2021
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	20,433	12,464
Investments	C1-2	10,284	14,343
Receivables	C1-4	759	808
Inventories	C1-5	1,840	2,293
Total current assets		33,316	29,908
Non-current assets			
Receivables	C1-4	821	914
Infrastructure, property, plant and equipment (IPPE)	C1-6	249,724	229,981
Total non-current assets		250,545	230,895
Total assets		283,861	260,803
LIABILITIES			
Current liabilities			
Payables	C3-1	1,282	2,952
Contract liabilities	C3-2	2,073	4,652
Borrowings	C3-3	297	287
Employee benefit provisions	C3-4	2,390	2,316
Total current liabilities		6,042	10,207
Non-current liabilities			
Borrowings	C3-3	2,567	2,866
Employee benefit provisions	C3-4	155	156
Provisions	C3-5	2,715	2,278
Total non-current liabilities		5,437	5,300
Total liabilities		11,479	15,507
Net assets		272,382	245,296
EQUITY			
Accumulated surplus		142,855	127,167
IPPE revaluation reserve	C4-1	129,527	118,129
Council equity interest		272,382	245,296
Total equity		272,382	245,296

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 2022

\$ '000	Notes	2022			2021		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		127,167	118,129	245,296	125,205	117,235	242,440
Net operating result for the year		15,688	–	15,688	1,962	–	1,962
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	11,398	11,398	–	894	894
Other comprehensive income		–	11,398	11,398	–	894	894
Total comprehensive income		15,688	11,398	27,086	1,962	894	2,856
Closing balance at 30 June		142,855	129,527	272,382	127,167	118,129	245,296

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 2022

Original unaudited budget 2022	\$ '000	Notes	Actual 2022	Actual 2021
Cash flows from operating activities				
<i>Receipts:</i>				
5,652	Rates and annual charges		5,672	5,415
4,075	User charges and fees		4,612	4,990
99	Interest received		113	174
16,055	Grants and contributions		25,932	21,914
–	Bonds, deposits and retentions received		–	12
649	Other		2,885	2,052
<i>Payments:</i>				
(8,437)	Payments to employees		(7,718)	(8,005)
(7,533)	Payments for materials and services		(12,543)	(10,375)
(105)	Borrowing costs		(106)	(118)
–	Bonds, deposits and retentions refunded		(6)	–
(437)	Other		(206)	(182)
10,018	Net cash flows from operating activities	G1-1	18,635	15,877
Cash flows from investing activities				
<i>Receipts:</i>				
–	Redemption of term deposits		4,059	7,933
1,418	Proceeds from sale of IPPE		1,043	1,430
<i>Payments:</i>				
–	Acquisition of term deposits		–	(9,000)
(10,487)	Payments for IPPE		(15,479)	(13,786)
(9,069)	Net cash flows from investing activities		(10,377)	(13,423)
Cash flows from financing activities				
<i>Payments:</i>				
(289)	Repayment of borrowings		(289)	(390)
–	Principal component of lease payments		–	(15)
(289)	Net cash flows from financing activities		(289)	(405)
660	Net change in cash and cash equivalents		7,969	2,049
10,415	Cash and cash equivalents at beginning of year		12,464	10,415
11,075	Cash and cash equivalents at end of year	C1-1	20,433	12,464
10,284	plus: Investments on hand at end of year	C1-2	10,284	14,343
21,359	Total cash, cash equivalents and investments		30,717	26,807

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 20 September 2022. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the 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 2021/22 has been assessed and found to be immaterial at this time. Council will continue to review and update any required actions during 2022/23.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 2005 (Regulation)*, 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.

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 – refer Note C1-4.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.

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*, 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
- water services
- sewerage services

The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993*, 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 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 2022 reporting period.

Council has not applied any pronouncement before its operative date in the annual reporting period beginning 1 July 2021.

As at the date of authorisation of these financial statements Council does not consider that any of these new (and still to be applied) standards and interpretations are likely to have a material impact on the Council's future financial statements, financial position, financial performance or cash flows.

New accounting standards adopted during the year

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2022. None of these standards had a significant impact on reported position or performance.

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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Functions or activities										
Governance	10	10	570	529	(560)	(519)	–	–	–	–
Administration	425	329	3,115	2,969	(2,690)	(2,640)	1,289	13	33,235	32,308
Public Order and Safety	238	258	516	578	(278)	(320)	234	246	1,283	707
Health	326	355	479	504	(153)	(149)	–	–	1,354	1,192
Environment	53	208	383	332	(330)	(124)	49	207	5,300	4,463
Community Services and Education	713	894	497	723	216	171	714	895	226	42
Housing and Community Amenities	702	892	1,155	1,079	(453)	(187)	127	322	5,422	3,846
Water Supplies	2,693	2,311	2,475	2,389	218	(78)	277	7	37,125	40,998
Sewerage Services	586	596	327	313	259	283	5	5	6,440	4,714
Recreation and Culture	365	1,511	1,884	1,844	(1,519)	(333)	328	1,473	13,869	10,128
Mining, Manufacturing and Construction	–	24	270	(98)	(270)	122	–	24	1,561	2,040
Transport & Communication	19,742	9,792	11,176	14,266	8,566	(4,474)	19,771	9,946	168,354	158,549
Economic Affairs	929	1,128	845	947	84	181	156	199	9,692	1,816
General Purpose Income	12,598	10,029	–	–	12,598	10,029	5,606	3,917	–	–
Total functions and activities	39,380	28,337	23,692	26,375	15,688	1,962	28,556	17,254	283,861	260,803

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.

B1-2 Components of functions or activities (continued)

Economic Affairs

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

General Purpose Income

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

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2022	2021
Ordinary rates		
Residential	375	366
Farmland	3,011	2,963
Business	226	220
Less: pensioner rebates	(26)	(27)
Rates levied to ratepayers	3,586	3,522
Pensioner rate subsidies received	14	15
Total ordinary rates	3,600	3,537
Annual charges		
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>		
Domestic waste management services	358	357
Water supply services	1,052	1,007
Sewerage services	575	511
Waste management services (non-domestic)	80	83
Less: pensioner rebates (mandatory)	(31)	(31)
Sullage – Rankins Springs	–	10
Annual charges levied	2,034	1,937
Pensioner subsidies received:		
– Water	7	7
– Sewerage	5	5
– Domestic waste management	5	6
Total annual charges	2,051	1,955
Total rates and annual charges	5,651	5,492

Council has used 2019 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	2022	2021
Specific user charges			
(per s.502 - specific 'actual use' charges)			
Water supply services	2	1,326	1,333
Total specific user charges		1,326	1,333
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Planning and building regulation	2	21	29
Private works – section 67	2	144	374
Registration fees	2	5	12
Section 10.7 certificates (EP&A Act)	2	15	10
Section 603 certificates	2	9	7
Tapping fees	2	2	4
Town planning	2	26	59
Total fees and charges – statutory/regulatory		222	495
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Caravan park	2	576	482
Cemeteries	2	17	15
Rent	2	56	64
Leaseback fees – Council vehicles	2	77	71
RMS charges (state roads not controlled by Council)	2	1,836	1,960
Sundry sales	2	4	3
Swimming centres	2	15	20
Admission and service fees	2	63	121
Community transport and other HACC services	2	15	27
Library	2	5	6
Sundry – risk management	2	24	33
Waste disposal tipping fees (sales waste materials)	2	5	10
Total fees and charges – other		2,693	2,812
Total other user charges and fees		2,915	3,307
Total user charges and fees		4,241	4,640
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)		4,241	4,640
Total user charges and fees		4,241	4,640

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 revenues

\$ '000	Timing	2022	2021
Rental income – other council properties	2	54	95
Diesel rebate	2	173	198
Insurance claims recoveries	2	–	62
Sales – general (GWCC)	2	31	24
Other	2	36	18
Medical centre	2	309	336
Pressure sewer connections	2	10	79
Total other revenue		613	812

Timing of revenue recognition for other revenue

Other revenue recognised over time (1)	–	–
Other revenue recognised at a point in time (2)	613	812
Total other revenue		812

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 2022	Operating 2021	Capital 2022	Capital 2021
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	2	2,211	1,906	–	–
Financial assistance – local roads component	2	1,286	1,162	–	–
Payment in advance - future year allocation					
Financial assistance – general component	2	3,395	2,039	–	–
Financial assistance – local roads component	2	1,984	1,248	–	–
Amount recognised as income during current year		8,876	6,355	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Previously specific grants:					
Pensioners' rates subsidies:					
Employment and training programs	1	–	13	–	–
Floodplain management	2	6	25	–	–
Library – per capita	2	67	67	–	–
Library – special projects	2	–	1	–	196
Noxious weeds	1	42	112	–	–
NSW rural fire services	1	233	246	–	–
Recreation and culture	1	286	298	92	–
Storm/flood damage	2	7,256	191	–	–
Community care (HACC and other services)	1	666	768	–	–
Drought Communities Program	1	–	907	–	–
Planning Portal	2	26	24	–	–
Levee bank	2	–	70	–	–
Other	1	–	199	–	146
Street lighting	2	25	53	–	–
Transport (roads to recovery)	1	1,457	2,836	–	–
Transport (other roads and bridges funding)	1	–	–	6,436	1,341
Other specific grants	1	49	11	105	–
Previously contributions:					
Community services	2	1	8	–	–
Transport for NSW contributions (regional roads, block grant)	1	1,439	1,438	362	407
Hall Committees – maintenance and capital works	2	–	–	–	13
Local Roads & Community Infrastructure	1	–	–	1,051	1,470
Total special purpose grants and non-developer contributions – cash		11,553	7,267	8,046	3,573
Total special purpose grants and non-developer contributions (tied)		11,553	7,267	8,046	3,573
Total grants and non-developer contributions		20,429	13,622	8,046	3,573
Comprising:					
– Commonwealth funding		10,626	10,286	1,051	146
– State funding		9,803	3,336	6,914	3,414
– Other funding		–	–	81	13
		20,429	13,622	8,046	3,573

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Timing	Operating 2022	Operating 2021	Capital 2022	Capital 2021
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.12 – fixed development consent levies	2	81	59	–	–
Total developer contributions – cash		81	59	–	–
Total developer contributions		81	59	–	–
Total contributions		81	59	–	–
Total grants and contributions		20,510	13,681	8,046	3,573
Timing of revenue recognition for grants and contributions					
Grants and contributions recognised over time (1)		4,172	6,828	–	3,364
Grants and contributions recognised at a point in time (2)		16,338	6,853	8,046	209
Total grants and contributions		20,510	13,681	8,046	3,573

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 2022	Operating 2021	Capital 2022	Capital 2021
Unspent grants and contributions				
Unspent funds at 1 July	127	18	4,537	–
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	246	115	1,827	4,537
Less: Funds received in prior year but revenue recognised and funds spent in current year	(115)	(6)	(4,537)	–
Unspent funds at 30 June	258	127	1,827	4,537

Major unspent grant details are:

Fixing Local Roads \$3,552k

Fixing Country Bridges \$475k

Stronger Country Communities \$147k

Contributions

Unspent funds at 1 July	375	316	–	–
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	81	59	–	–
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	–	–	–	–
Unspent contributions at 30 June	456	375	–	–

Developer Contributions \$456k

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 events 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	2022	2021
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	44	4
– Cash and investments	106	135
Total interest and investment income (losses)	150	139
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	31	2
General Council cash and investments	106	135
Restricted investments/funds – external:		
Water fund operations	10	2
Sewerage fund operations	3	–
Total interest and investment income	150	139

Accounting policy

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

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2022	2021
Salaries and wages	6,590	6,011
Employee termination costs	102	119
Travel expenses	69	202
Employee leave entitlements (ELE)	641	919
Superannuation	706	716
Workers' compensation insurance	193	186
Fringe benefit tax (FBT)	44	58
Training costs (other than salaries and wages)	68	86
Protective clothing	34	48
Other	9	22
Total employee costs	8,456	8,367
Less: capitalised costs	(652)	(558)
Total employee costs expensed	7,804	7,809
Number of 'full-time equivalent' employees (FTE) at year end	92	105

Accounting policy

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

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.

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	2022	2021
Raw materials and consumables		1,025	3,133
Audit Fees	F2-1	51	35
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	F1-2	152	137
Advertising		46	45
Bank charges		18	17
Computer software charges		72	97
Election expenses		23	–
Electricity and heating		461	436
Fire control expenses		145	144
Office expenses (including computer expenses)		254	263
Postage		13	13
Printing and stationery		19	18
Repairs and maintenance		5,991	4,717
Street lighting		53	52
Subscriptions and publications		14	19
Telephone and communications		45	64
Tourism expenses (excluding employee costs)		71	13
Valuation fees		16	16
Insurance (excluding workers compensation)		295	244
Scholarship bursary		6	6
Private Works		79	246
Other		3	10
Legal expenses:			
– Legal expenses: general		2	4
Expenses from leases of low value assets		–	6
Variable lease expense relating to usage		–	6
Total materials and services		8,854	9,741
Total materials and services		8,854	9,741

Accounting policy

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

B3-3 Borrowing costs

\$ '000	Notes	2022	2021
(i) Interest bearing liability costs			
Interest on leases		–	2
Interest on loans		105	116
Total interest bearing liability costs		105	118
Total interest bearing liability costs expensed		105	118
– Remediation liabilities	C3-5	437	–
Total other borrowing costs		437	–
Total borrowing costs expensed		542	118

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	2022	2021
Depreciation and amortisation			
Plant and equipment		898	877
Office equipment		65	60
Land improvements (depreciable)		37	26
Infrastructure: ^{C1-6}			
– Buildings – non-specialised		184	199
– Buildings – specialised		33	27
– Roads		2,926	5,124
– Bridges		209	256
– Footpaths		60	68
– Stormwater drainage		35	24
– Water supply network		980	1,000
– Sewerage network		128	130
– Swimming pools		67	64
– Other open space/recreational assets		171	135
– Other infrastructure		40	40
Right of use assets	C2-1	–	15
Other assets:			
– Library books		10	11
– Other		85	68
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C1-6	17	–
– Quarry assets	C1-6	216	–
Total depreciation and amortisation costs		6,161	8,124
Total depreciation, amortisation and impairment for non-financial assets		6,161	8,124

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.

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 not tested for impairment since 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 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).

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	2022	2021
Other		
Contributions/levies to other levels of government		
– NSW fire brigade levy	19	26
– NSW rural fire service levy	221	302
– Regional library	23	24
– Shires association; RAMJO and other organisations	46	28
Donations, contributions and assistance to other organisations (Section 356)	23	37
Total other expenses	332	417

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	2022	2021
Gain (or loss) on disposal of plant and equipment	C1-6		
Proceeds from disposal – plant and equipment		1,043	1,430
Less: carrying amount of plant and equipment assets sold/written off		<u>(831)</u>	<u>(1,491)</u>
Gain (or loss) on disposal		<u>212</u>	<u>(61)</u>
Gain (or loss) on disposal of infrastructure	C1-6		
Proceeds from disposal – infrastructure		–	–
Less: carrying amount of infrastructure assets sold/written off		<u>(42)</u>	<u>(105)</u>
Gain (or loss) on disposal		<u>(42)</u>	<u>(105)</u>
Net gain (or loss) from disposal of assets		<u>170</u>	<u>(166)</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 22/06/2021 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	2022 Budget	2022 Actual	2022 ----- Variance -----		
Revenues					
Rates and annual charges	5,652	5,651	(1)	0%	U
User charges and fees	4,075	4,241	166	4%	F
Other revenues	649	613	(36)	(6)%	U
Operating grants and contributions	11,435	20,510	9,075	79%	F
Council received an additional 25% payment in advance for Financial Assistance Grants which was not budgeted. Additionally, substantial grant funding for storm/flood damage was received in 2021/22 (\$7.256m).					
Capital grants and contributions	4,620	8,046	3,426	74%	F
Council was successful in securing large value capital grants including \$1.051m under the Local Roads and Community Infrastructure Program. Substantial transport funding was received totalling \$6.436m.					
Interest and investment revenue	99	150	51	52%	F
Council showed a substantial increase in interest on overdue rates and annual charges following the suspension of interest charges during COVID-19. Interest on investments was slightly above budget as the official cash rate began to rise late in the year.					
Net gains from disposal of assets	104	170	66	63%	F
Due to plant shortages nationwide, Council was able to achieve higher returns than budgeted on plant disposals during 2021/22.					
Expenses					
Employee benefits and on-costs	8,437	7,804	633	8%	F
Materials and services	7,533	8,854	(1,321)	(18)%	U
Increased grant funding resulted in additional unbudgeted expenditure for materials and services. Additionally some reclassifications were required between materials and services and other expenses.					
Borrowing costs	105	542	(437)	(416)%	U
Borrowing cost expenses exceeded budgeted amounts due to the introduction of tip and quarry remediation expenses and the initial impact of these first time expenses. Council has not previously budgeted for the borrowing expenses associated with tip and quarry remediation.					
Depreciation, amortisation and impairment of non-financial assets	6,450	6,161	289	4%	F
Other expenses	437	332	105	24%	F
Fire service levies advised after the finalisation of the original budget were lower than the budgeted amount.					

B5-1 Material budget variations (continued)

\$ '000	2022 Budget	2022 Actual	2022 ----- Variance -----	
Statement of cash flows				
Cash flows from operating activities	10,018	18,635	8,617	86% F
Council received an additional 25% payment in advance for Financial Assistance Grants which was not budgeted. Additionally, substantial grant funding for storm/flood damage was received in 2021/22 (\$7.256m). Also, Council was successful in securing large value capital grants including \$1.051m under the Local Roads and Community Infrastructure Program. Substantial transport funding was received totalling \$6.436m.				
Cash flows from investing activities	(9,069)	(10,377)	(1,308)	14% U
Council showed a substantial increase in interest on overdue rates and annual charges following the suspension of interest charges during COVID-19. Interest on investments was slightly above budget as the official cash rate began to rise late in the year.				
Cash flows from financing activities	(289)	(289)	-	0% F

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2022	2021
Cash assets		
Cash on hand and at bank	161	211
Cash equivalent assets		
– Deposits at call	2,585	4,082
– Short-term deposits	17,687	8,171
Total cash and cash equivalents	20,433	12,464

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	20,433	12,464
Balance as per the Statement of Cash Flows	20,433	12,464

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	2022		2021	
	Current	Non-current	Current	Non-current
Debt securities at amortised cost				
Long term deposits	10,284	–	14,343	–
Total	10,284	–	14,343	–
Total financial investments	10,284	–	14,343	–
Total cash assets, cash equivalents and investments	30,717	–	26,807	–

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

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.

C1-3 Restricted and allocated cash, cash equivalents and investments

\$ '000	2022	2021
(a) Externally restricted cash, cash equivalents and investments		
Total cash, cash equivalents and investments	30,717	26,807
Less: Externally restricted cash, cash equivalents and investments	<u>(7,349)</u>	<u>(9,059)</u>
Cash, cash equivalents and investments not subject to external restrictions	23,368	17,748
External restrictions		
External restrictions – included in liabilities		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended loans – general	250	250
Specific purpose unexpended grants – general fund	2,085	4,664
Security deposits	25	48
External restrictions – included in liabilities	2,360	4,962
External restrictions – other		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	456	375
Water fund	3,239	2,929
Sewer fund	1,294	793
External restrictions – other	4,989	4,097
Total external restrictions	7,349	9,059

Cash, cash equivalents and investments subject to external restrictions are those which are only available for specific use by Council due to a restriction placed by legislation or third-party contractual agreement.

\$ '000	2022	2021
(b) Internal allocations		
Cash, cash equivalents and investments not subject to external restrictions	23,368	17,748
Less: Internally restricted cash, cash equivalents and investments	<u>(16,947)</u>	<u>(13,757)</u>
Unrestricted and unallocated cash, cash equivalents and investments	6,421	3,991
Internal allocations		
At 30 June, Council has internally allocated funds to the following:		
Plant and vehicle replacement	1,150	1,100
Employees leave entitlement	1,592	1,592
Buildings	402	479
Carry over works	574	292
Council dwellings	1	71
Gravel pits reserve	1,834	1,835
Hillston caravan park	639	438
Local roads	3,790	2,933
Office furniture	15	15
Road warranty fund	350	350
Staff training	25	25
Tips remediation	174	174
Tourism	41	41

C1-3 Restricted and allocated cash, cash equivalents and investments (continued)

\$ '000	2022	2021
Hillston Community Hall	96	96
FAGS in Advance	5,379	3,287
Tips Capital Reserve	19	93
Grant Reserve	150	150
Development reserve	716	786
Total internal allocations	16,947	13,757

Cash, cash equivalents and investments not subject to external restrictions may be internally allocated by resolution or policy of the elected Council.

\$ '000	2022	2021
(c) Unrestricted and unallocated		
Unrestricted and unallocated cash, cash equivalents and investments	6,421	3,991

C1-4 Receivables

\$ '000	2022		2021	
	Current	Non-current	Current	Non-current
Rates and annual charges	215	402	215	402
Interest and extra charges	44	30	4	53
User charges and fees	97	97	131	98
Accrued revenues				
– Interest on investments	41	–	17	–
– Other income accruals	56	–	120	–
Net investment in finance lease	–	–	–	–
Government grants and subsidies	137	111	–	164
Net GST receivable	151	–	256	–
Hillston sewer pressure system	–	20	–	28
Kerb & Guttering	–	3	–	4
Other debtors – various	112	158	152	165
Workers compensation claims	5	–	12	–
Total	858	821	907	914
Less: provision for impairment				
Rates and annual charges	(61)	–	(62)	–
Interest and extra charges	(15)	–	(11)	–
User charges and fees	(19)	–	(23)	–
Other debtors	(4)	–	(3)	–
Total provision for impairment – receivables	(99)	–	(99)	–
Total net receivables	759	821	808	914
Externally restricted receivables				
Water supply				
– Rates and availability charges	142	266	143	268
– Other	55	155	(273)	283
Sewerage services				
– Rates and availability charges	43	81	29	54
– Other	17	47	(72)	101
Total external restrictions	257	549	(173)	706
Unrestricted receivables	502	272	981	208
Total net receivables	759	821	808	914
\$ '000			2022	2021
Movement in provision for impairment of receivables				
Balance at the beginning of the year			99	99
Balance at the end of the year			99	99

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 estimating ECL, 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.

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

When considering the ECL for rates and annual charges 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.

Credit losses are measured at 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.

Council writes off a 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 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.

C1-5 Inventories

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
(i) Inventories at cost				
Stores and materials	1,840	-	2,293	-
Total inventories at cost	1,840	-	2,293	-
Total inventories	1,840	-	2,293	-

Externally restricted assets

There are no restrictions applicable to the above assets.

(i) Other disclosures

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
(a) Real estate for resale				
Total real estate for resale	-	-	-	-

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

Movements:

Real estate assets at beginning of the year	-	-	159	-
- Purchases and other costs	-	-	(159)	-
Total real estate for resale	-	-	-	-

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 2021			Asset movements during the reporting period							At 30 June 2022		
	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	2,215	–	2,215	2,203	7,192	–	–	(475)	–	–	11,135	–	11,135
Plant and equipment	14,141	(6,229)	7,912	1,768	–	(831)	(898)	–	–	–	14,638	(6,687)	7,951
Office equipment	1,754	(1,532)	222	64	–	–	(65)	22	–	–	1,839	(1,596)	243
Furniture and fittings	448	(436)	12	–	–	–	–	–	–	–	448	(436)	12
Land:													
– Operational land	1,376	–	1,376	–	–	–	–	–	–	1,092	2,469	–	2,469
– Community land	1,911	–	1,911	–	–	–	–	–	(227)	–	1,684	–	1,684
Land improvements – depreciable	3,128	(721)	2,407	93	4	–	(37)	–	–	81	3,296	(748)	2,548
Infrastructure:													
– Buildings – non-specialised	27,640	(15,301)	12,339	423	25	–	(184)	182	–	10,222	34,928	(11,921)	23,007
– Buildings – specialised	2,108	(1,101)	1,007	–	44	–	(33)	–	–	940	2,574	(616)	1,958
– Other structures	31	(1)	30	–	–	–	–	–	–	–	31	(1)	30
– Roads	151,759	(31,394)	120,365	463	1,823	(42)	(2,926)	76	–	–	154,045	(34,286)	119,759
– Bridges	27,926	(4,463)	23,463	–	–	–	(209)	–	–	–	27,926	(4,672)	23,254
– Footpaths	2,355	(355)	2,000	–	18	–	(60)	–	–	–	2,372	(414)	1,958
– Stormwater drainage	3,587	(1,133)	2,454	–	–	–	(35)	–	–	–	3,588	(1,168)	2,420
– Water supply network	67,139	(29,810)	37,329	780	23	–	(980)	187	(4,169)	–	69,727	(36,557)	33,170
– Sewerage network	7,172	(3,427)	3,745	49	–	–	(128)	–	–	1,259	8,023	(3,098)	4,925
– Swimming pools	4,098	(1,263)	2,835	–	–	–	(67)	–	–	753	4,442	(920)	3,522
– Other open space/recreational assets	4,826	(1,608)	3,218	232	60	–	(171)	8	–	–	5,126	(1,780)	3,346
– Other infrastructure	1,860	(266)	1,594	–	–	–	(40)	–	–	252	2,007	(201)	1,806
Other assets:													
– Library books	259	(197)	62	14	–	–	(10)	–	–	–	272	(207)	65
– Other	4,423	(2,535)	1,888	96	4	–	(85)	–	–	1,195	4,268	(1,170)	3,098
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):													
– Tip assets	309	–	309	–	–	–	(17)	–	–	–	309	(17)	292
– Quarry assets	1,969	(681)	1,288	–	–	–	(216)	–	–	–	1,969	(897)	1,072
Total infrastructure, property, plant and equipment	332,434	(102,453)	229,981	6,185	9,193	(873)	(6,161)	–	(4,396)	15,794	357,116	(107,392)	249,724

(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 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)

Accounting policy

Initial recognition of infrastructure, property, plant and equipment (IPPE)

IPPE is measured initially at cost. Cost includes the fair value of the consideration given to acquire the asset (net of discounts and rebates) and any directly attributable cost of bringing the asset to working condition for its intended use (inclusive of import duties and taxes).

When infrastructure, property, plant and equipment is acquired by Council at significantly below fair value, the assets are initially recognised at their fair value at acquisition date.

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.

Useful lives of IPPE

Land is not depreciated. 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 (in years) as follows:

	Useful lives
Plant, equipment, furniture and fittings	4 to 20
Land	Infinite
Land improvements	18 to 90
Infrastructure:	
– Buildings and other structures	5 to 145
– Roads, bridges and footpaths	8 to 200
– Bulk earthworks	Infinite
– Stormwater drainage	50 to 100
– Water supply network	10 to 160
– Sewerage network	10 to 100
– Open space / recreational assets	10 to 100
– Other infrastructure	25 to 100
Other assets	20 to 145
Tip and quarry assets	10 to 50

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

Revaluation model

Infrastructure, property, plant and equipment are held at fair value. Comprehensive valuations are performed at least every 5 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 Planning, Industry and Environment – Water.

Increases in the carrying amounts arising on revaluation are credited to the IPPE 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 IPPE revaluation reserve to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

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 30/06/22			as at 30/06/21		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
Water supply						
WIP	308	–	308	319	–	319
Plant and equipment	173	171	2	173	170	3
Infrastructure	69,727	36,557	33,170	67,139	29,810	37,329
Total water supply	70,208	36,728	33,480	67,631	29,980	37,651
Sewerage services						
WIP	11	–	11	–	–	–
Plant and equipment	70	38	32	70	32	38
Infrastructure	8,023	3,098	4,925	7,172	3,427	3,745
Total sewerage services	8,104	3,136	4,968	7,242	3,459	3,783
Total restricted infrastructure, property, plant and equipment	78,312	39,864	38,448	74,873	33,439	41,434

C2 Leasing activities

C2-1 Council as a lessee

(a) Right of use assets

\$ '000	Office Equipment	Land	Total
2022			
Opening balance at 1 July	-	-	-
Balance at 30 June	-	-	-
2021			
Opening balance at 1 July	7	8	15
Depreciation charge	(7)	(8)	(15)
Balance at 30 June	-	-	-

(b) (i) The maturity analysis

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

(ii) Lease liabilities relating to restricted assets

(c) Income Statement

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

\$ '000	2022	2021
Interest on lease liabilities	-	2
Variable lease payments based on usage not included in the measurement of lease liabilities	-	12
Depreciation of right of use assets	-	15
Expenses relating to low-value leases	-	12
	-	41

(d) Statement of Cash Flows

Total cash outflow for leases	-	15
	-	15

(e) 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?

C2-1 Council as a lessee (continued)

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 received. The right-of-use asset 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

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	2022		2021	
	Current	Non-current	Current	Non-current
Goods and services – operating expenditure	29	–	1,797	–
Goods and services – capital expenditure	–	–	100	–
Accrued expenses:				
– Borrowings	4	–	5	–
– Salaries and wages	112	–	88	–
– Other expenditure accruals	412	–	71	–
Security bonds, deposits and retentions	33	–	39	–
Security deposits	25	–	25	–
Suspense Accounts	59	–	55	–
Home Care Packages	307	–	484	–
Government departments and agencies	117	–	117	–
Prepaid rates	178	–	156	–
Other	6	–	15	–
Total payables	1,282	–	2,952	–

Payables relating to restricted assets

\$ '000	2022		2021	
	Current	Non-current	Current	Non-current
Externally restricted assets				
Sewer	1	–	1	–
Payables relating to externally restricted assets	1	–	1	–
Total payables relating to restricted assets	1	–	1	–
Total payables relating to unrestricted assets	1,281	–	2,951	–
Total payables	1,282	–	2,952	–

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

\$ '000	2022	2021
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Other liabilities: (Security Deposits, Section 7.11)	58	64
Total payables	58	64

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	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	2,073	-	4,652	-
Total grants received in advance		2,073	-	4,652	-
Total contract liabilities		2,073	-	4,652	-

Notes

(i) Council has received funding to construct assets including sporting facilities, bridges 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	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Externally restricted assets				
Water	178	-	-	-
Sewer	230	-	-	-
Unspent grants held as contract liabilities (excl. Water & Sewer)	1,677	-	4,664	-
Contract liabilities relating to externally restricted assets	2,085	-	4,664	-
Total contract liabilities relating to restricted assets	2,085	-	4,664	-
Total contract liabilities relating to unrestricted assets	(12)	-	(12)	-
Total contract liabilities	2,073	-	4,652	-

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

\$ '000	2022	2021
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	95	196
Operating grants (received prior to performance obligation being satisfied)	4,557	407
Total revenue recognised that was included in the contract liability balance at the beginning of the period	4,652	603

Significant changes in contract liabilities

Council has received significant advance funding under a number of grant programs. Funding received under the Local Roads and Community Infrastructure round 3 and Fixing Local Roads Round 3 programs comprises the majority of the contract liabilities recognised in 2021/22.

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

C3-3 Borrowings (continued)

\$ '000	2022		2021	
	Current	Non-current	Current	Non-current
Loans – secured ¹	297	2,567	287	2,866
Total borrowings	297	2,567	287	2,866

(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	2022		2021	
	Current	Non-current	Current	Non-current
Externally restricted assets				
Water	103	1,303	99	1,406
Sewer	50	401	49	452
Borrowings relating to externally restricted assets	153	1,704	148	1,858
Total borrowings relating to restricted assets	153	1,704	148	1,858
Total borrowings relating to unrestricted assets	144	863	139	1,008
Total borrowings	297	2,567	287	2,866

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	2021		Non-cash movements				2022
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	3,153	(289)	-	-	-	-	2,864
Total liabilities from financing activities	3,153	(289)	-	-	-	-	2,864

C3-3 Borrowings (continued)

\$ '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	Closing balance
Loans – secured	3,543	(390)	–	–	–	–	3,153
Lease liability (Note C2-1b)	15	(15)	–	–	–	–	–
Total liabilities from financing activities	3,558	(405)	–	–	–	–	3,153

(b) Financing arrangements

\$ '000	2022	2021
Total facilities		
Credit cards/purchase cards	50	50
Total financing arrangements	50	50
Undrawn facilities		
– Credit cards/purchase cards	50	100
Total undrawn financing arrangements	50	100

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	2022	2022	2021	2021
	Current	Non-current	Current	Non-current
Annual leave	775	–	712	–
Sick leave	354	–	354	–
Long service leave	1,075	155	1,082	156
ELE on-costs	186	–	168	–
Total employee benefit provisions	2,390	155	2,316	156

C3-4 Employee benefit provisions (continued)

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

\$ '000	2022	2021
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	1,314	1,373
	1,314	1,373

Description of and movements in provisions

\$ '000	ELE provisions				Total
	Annual leave	Sick leave	Long service leave	ELE on-costs	
2022					
At beginning of year	712	354	1,238	168	2,472
Other	63	–	(8)	18	73
Total ELE provisions at end of year	775	354	1,230	186	2,545
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

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	2022	2022	2021	2021
	Current	Non-Current	Current	Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	2,715	–	2,278
Sub-total – asset remediation/restoration	–	2,715	–	2,278

continued on next page ...

C3-5 Provisions (continued)

Total provisions	–	2,715	–	2,278
	2022 Current	2022 Non-Current	2021 Current	2021 Non-Current
Provisions relating to restricted assets				
Total provisions relating to restricted assets	–	–	–	–
Total provisions relating to unrestricted assets	–	2,715	–	2,278
Total provisions	–	2,715	–	2,278

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	Total
2022		
At beginning of year	2,278	2,278
Reassessment completed on tips/gravel pits	437	437
Total other provisions at end of year	2,715	2,715
2021		
At beginning of year	2,110	2,110
Reassessment completed on tips/gravel pits	168	168
Total other provisions at end of year	2,278	2,278

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

IPPE 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.

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 2022	Water 2022	Sewer 2022
Income from continuing operations			
Rates and annual charges	4,046	1,039	566
User charges and fees	2,913	1,328	–
Interest and investment revenue	127	18	5
Other revenues	572	31	10
Grants and contributions provided for operating purposes	20,498	7	5
Grants and contributions provided for capital purposes	7,776	270	–
Net gains from disposal of assets	170	–	–
Total income from continuing operations	36,102	2,693	586
Expenses from continuing operations			
Employee benefits and on-costs	7,302	441	61
Materials and services	7,734	1,000	120
Borrowing costs	477	54	11
Depreciation, amortisation and impairment of non-financial assets	5,047	980	134
Other expenses	332	–	–
Total expenses from continuing operations	20,892	2,475	326
Operating result from continuing operations	15,210	218	260
Net operating result for the year	15,210	218	260
Net operating result attributable to each council fund	15,210	218	260
Net operating result for the year before grants and contributions provided for capital purposes	7,434	(52)	260

D1-2 Statement of Financial Position by fund

\$ '000	General 2022	Water 2022	Sewer 2022
ASSETS			
Current assets			
Cash and cash equivalents	15,900	3,239	1,294
Investments	10,284	–	–
Receivables	574	142	43
Inventories	1,840	–	–
Total current assets	28,598	3,381	1,337
Non-current assets			
Receivables	474	266	81
Infrastructure, property, plant and equipment	211,277	33,478	4,969
Total non-current assets	211,751	33,744	5,050
Total assets	240,349	37,125	6,387
LIABILITIES			
Current liabilities			
Payables	1,281	–	1
Contract liabilities	1,665	178	230
Borrowings	144	103	50
Employee benefit provision	2,390	–	–
Total current liabilities	5,480	281	281
Non-current liabilities			
Borrowings	863	1,303	401
Employee benefit provision	155	–	–
Provisions	2,715	–	–
Total non-current liabilities	3,733	1,303	401
Total liabilities	9,213	1,584	682
Net assets	231,136	35,541	5,705
EQUITY			
Accumulated surplus	131,685	8,045	3,125
Revaluation reserves	99,451	27,496	2,580
Council equity interest	231,136	35,541	5,705
Total equity	231,136	35,541	5,705

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.

The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

\$ '000	Carrying value 2022	Carrying value 2021	Fair value 2022	Fair value 2021
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	20,433	12,464	20,433	12,464
Receivables	1,580	1,722	759	1,393
Investments				
– Debt securities at amortised cost	10,284	14,343	10,284	14,343
Total financial assets	32,297	28,529	31,476	28,200
Financial liabilities				
Payables	1,282	2,952	1,282	2,952
Loans/advances	2,864	3,153	2,864	3,153
Total financial liabilities	4,146	6,105	4,146	6,105

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.

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.
- **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.

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

(a) Market risk – interest rate and price risk

\$ '000	2022	2021
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.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	83	266
Impact of a 10% movement in price of investments		
– Equity / Income Statement	–	–

(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	overdue rates and annual charges		Total
		< 5 years	≥ 5 years	
2022				
Gross carrying amount	–	537	80	617
2021				
Gross carrying amount	–	552	65	617

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

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	Overdue debts				Total
		0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
2022						
Gross carrying amount	777	34	143	32	76	1,062
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	10.00%	0.72%
ECL provision	-	-	-	-	8	8
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

(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		
2022							
Payables	0.00%	33	1,249	-	-	1,282	1,282
Borrowings	0.00%	-	297	934	1,635	2,866	2,864
Total financial liabilities		33	1,546	934	1,635	4,148	4,146
2021							
Payables	0.00%	39	2,770	-	-	2,809	2,952
Borrowings	3.27%	-	287	1,565	1,301	3,153	3,153
Total financial liabilities		39	3,057	1,565	1,301	5,962	6,105

Loan agreement breaches

During 2021/22 there were no defaults or breaches on any Council borrowings.

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	
		2022	2021	2022	2021	2022	2021	2022	2021
Recurring fair value measurements									
Financial assets									
Financial investments	C1-2								
– 'Held to maturity'		30/06/22	30/06/21	10,284	14,347	–	–	10,284	14,347
Receivables		30/06/22	30/06/21	1,580	1,721	–	–	1,580	1,721
Total financial assets				11,864	16,068	–	–	11,864	16,068
Financial liabilities									
Payables		30/06/22	30/06/21	1,282	2,952	–	–	1,282	2,952
Loans/advances		30/06/22	30/06/21	2,864	3,153	–	–	2,864	3,153
Total financial liabilities				4,146	6,105	–	–	4,146	6,105
Infrastructure, property, plant and equipment									
Plant and equipment	C1-6	30/06/22	30/06/21	–	–	7,951	7,912	7,951	7,912
Office equipment		30/06/22	30/06/21	–	–	243	222	243	222
Furniture and fittings		30/06/22	30/06/21	–	–	12	12	12	12
Operational land		30/06/22	30/06/17	2,469	1,376	–	–	2,469	1,376
Community land		30/06/22	30/06/17	–	–	1,684	1,911	1,684	1,911
Land improvements		30/06/21	30/06/17	–	–	2,548	2,407	2,548	2,407
Buildings – non specialised		30/06/22	30/06/17	23,007	12,339	–	–	23,007	12,339
Buildings – specialised		30/06/22	30/06/17	–	–	1,958	1,007	1,958	1,007
Roads		30/06/21	30/06/21	–	–	119,759	120,365	119,759	120,365
Bridges		30/06/21	30/06/21	–	–	23,254	23,463	23,254	23,463
Footpaths		30/06/21	30/06/21	–	–	1,958	2,000	1,958	2,000
Stormwater drainage		30/06/21	30/06/21	–	–	2,420	2,454	2,420	2,454
Water supply network		30/06/22	30/06/17	–	–	33,170	37,329	33,170	37,329
Sewerage network		30/06/22	30/06/17	–	–	4,925	3,745	4,925	3,745
Swimming pools		30/06/22	30/06/17	–	–	3,522	2,835	3,522	2,835
Open space/recreational assets		30/06/18	30/06/18	–	–	3,346	3,218	3,346	3,218
Library books		30/06/22	30/06/21	–	–	65	62	65	62
Other assets		30/06/22	30/06/17	–	–	3,098	1,888	3,098	1,888
Work in Progress		30/06/22	30/06/21	–	–	11,135	2,215	11,135	2,215
Levee Banks		30/06/22	30/06/16	–	–	1,806	1,594	1,806	1,594
Other Structures General		30/06/18	30/06/18	–	–	30	30	30	30
Total infrastructure, property, plant and equipment				25,476	13,715	222,884	214,669	248,360	228,384

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	
	2022	2021
Opening balance	214,669	211,372
Total gains or losses for the period		
Other movements		
Purchases (GBV)	14,748	13,320
Disposals (WDV)	(873)	(1,578)
Depreciation and impairment	(5,744)	(7,910)
Revaluation Increments to Equity	4,866	–
Revaluation Decrements to Equity	(4,396)	(535)
Closing balance	223,270	214,669

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 per annum for 1 July 2020 to 31 December 2021 and \$20 million per annum for 1 January 2022 to 31 December 2024, apportioned according to each employer's share of the accrued liabilities as at 30 June 2021. 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 2022 was \$49,876. The last valuation of the Scheme was performed by Mr Richard Boyfield FIAA as at 30 June 2021.

E3-1 Contingencies (continued)

The amount of additional contributions included in the total employer contribution advised above is \$25,267. Council's expected contribution to the plan for the next annual reporting period is \$45,216.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2022 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	2,376.6	
Past Service Liabilities	2,380.7	99.8%
Vested Benefits	2,391.7	99.4%

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

The share of any funding surplus or deficit that can be attributed to Council is \$45,216.

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.

E3-1 Contingencies (continued)

2. Other liabilities

(i) Third party claims

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

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

ASSETS NOT RECOGNISED

(i) Land under roads

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

(ii) Infringement notices/fines

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

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

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

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

(iii) Rural Fire Service

The *Local Government Code of Accounting Practice and Financial Reporting 21/22* issued by the Office of Local Government at page 54 states **"Councils need to assess whether they control any Rural Fire Service assets and recognise in their financial statements any material assets under their control."**

In addition, AASB116 requires that an asset can only be recognised if it is probable that future economic benefits associated with the item will flow to the entity. Control is defined in the *"AASB Conceptual Framework."*

In response to the Code's assessment requirements and based on Council's review of:

1. effective control, and
2. what entity receives the future economic benefits

of the rural fire fighting assets, Council has adopted an accounting position statement on the recognition of Rural Fire Service assets which states:

"Council accounts for land and buildings used by the Rural Fire Service that are situated on Council-controlled land, however Council does not account for Rural Fire Service plant or other equipment."

Council's adopted accounting position statement above:

- a. is in accordance with the views of LG NSW who are the peak industry support and advocacy body representing NSW Councils, and also
- b. corresponds with recent independent accounting advice provided to a similar NSW Council.

It should be noted that the consolidated value of all Rural Fire Service (plant and equipment) assets across the State is likely to be a very large number and therefore these assets (and amounts) should be carried in the financial statements of the NSW Rural Fire Service with Council having concluded that "on balance" the NSW Rural Fire Service both controls the rural fire fighting assets and receives their future economic benefits.

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	2022	2021
Compensation:		
Short-term benefits	907	845
Termination benefits	92	–
Total	999	845

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				
2022						
Creditor - Earthmoving	3	10	–	Standard procurement process	–	–
Employee Expenses relating to close family members of KMP	1	177	–	Local Government State Award	–	–
Staff Reimbursement of Expenses	2	1	–	30 day terms on invoices	–	–
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	–	–

1 Close family members of Council KMP are employed by the Council under the relevant pay award on an arm's length basis. There is three close family member 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	2022	2021
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	25	27
Councillors' fees	103	99
Other Councillors' expenses (including Mayor)	24	11
Total	152	137

F2 Other relationships

F2-1 Audit fees

\$ '000	2022	2021
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	50	35
Remuneration for audit and other assurance services	50	35
Total Auditor-General remuneration	50	35
(ii) Other non-assurance services		
Non NSW Auditor-General audit firms		
(ii) Non-assurance services		
Internal Audit	-	-
Audit Committee	1	-
Remuneration for non-assurance services	1	-
Total remuneration of non NSW Auditor-General audit firms	1	-
Total audit fees	51	35

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of net operating result to cash provided from operating activities

\$ '000	2022	2021
Net operating result from Income Statement	15,688	1,962
Add / (less) non-cash items:		
Depreciation and amortisation	6,161	8,124
(Gain) / loss on disposal of assets	(170)	166
Unwinding of discount rates on reinstatement provisions	437	–
Movements in operating assets and liabilities and other cash items:		
(Increase) / decrease of receivables	142	118
Increase / (decrease) in provision for impairment of receivables	–	(45)
(Increase) / decrease of inventories	453	124
Increase / (decrease) in payables	(1,768)	1,352
Increase / (decrease) in accrued interest payable	(1)	–
Increase / (decrease) in other accrued expenses payable	365	(338)
Increase / (decrease) in other liabilities	(166)	145
Increase / (decrease) in contract liabilities	(2,579)	4,049
Increase / (decrease) in employee benefit provision	73	52
Increase / (decrease) in other provisions	–	168
Net cash flows from operating activities	18,635	15,877

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2022	2021
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Other	6,393	9,892
Total commitments	6,393	9,892
These expenditures are payable as follows:		
Within the next year	6,393	9,892
Total payable	6,393	9,892
Sources for funding of capital commitments:		
Unrestricted general funds	574	1,026
Future grants and contributions	5,819	8,866
Total sources of funding	6,393	9,892

Details of capital commitments

Capital projects committed to are categorised as general fund (\$5,464k), combined water network (\$699k) and sewer network (\$230k).

G3 Statement of developer contributions as at 30 June 2022

G3-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2021	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2022	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
Community facilities	375	81	-	-	-	-	456	-
S7.11 contributions – under a plan	375	81	-	-	-	-	456	-
Total S7.11 and S7.12 revenue under plans	375	81	-	-	-	-	456	-
Total contributions	375	81	-	-	-	-	456	-

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 2021	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2022	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	370	81	-	-	-	-	451	-
Total	370	81	-	-	-	-	451	-

G4 Statement of performance measures

G4-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2022	Indicator 2022	Indicators 2021 2020		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	7,472	23.98%	(5.84)%	13.52%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	31,165				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	10,655	27.17%	39.11%	34.11%	> 60.00%
Total continuing operating revenue ¹	39,211				
3. Unrestricted current ratio					
Current assets less all external restrictions	25,710	10.58x	5.31x	8.32x	> 1.50x
Current liabilities less specific purpose liabilities	2,431				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	14,175	17.06x	13.00x	23.45x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	831				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	615	9.77%	9.88%	10.13%	< 10.00%
Rates and annual charges collectable	6,296				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	30,717	17.66	16.86	17.19	> 3.00
Monthly payments from cash flow of operating and financing activities	1,739	months	months	months	months

(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
	2022	2021	2022	2021	2022	2021	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	25.80%	(7.57)%	(2.15)%	(3.30)%	44.37%	47.57%	> 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	21.31%	32.05%	89.71%	99.70%	99.15%	99.16%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	10.58x	5.31x	12.03x	31.08x	4.76x	16.64x	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	16.69x	11.91x	18.19x	16.91x	36.82x	33.31x	> 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	13.11%	13.14%	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	15.06 months	14.52 months	∞	∞	∞	∞	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

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

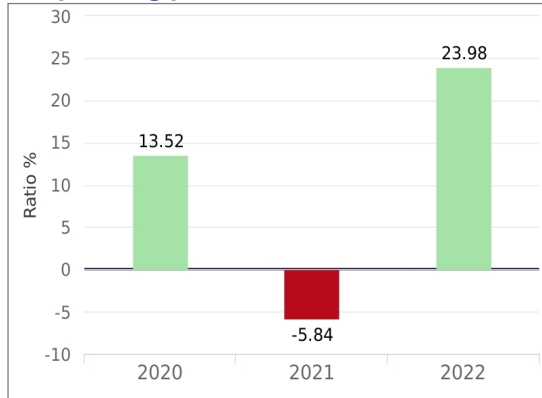
(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

End of the audited financial statements

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 2021/22 result

2021/22 ratio 23.98%

Council has received additional Financial Assistance Grant funds in advance. These funds are untied and recorded as operating revenue in the year received.

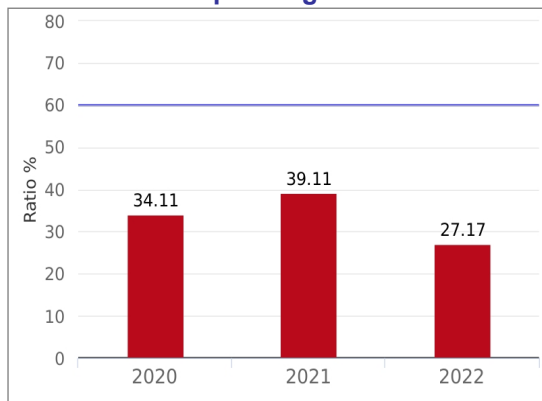
Benchmark: — > 0.00%

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 2021/22 result

2021/22 ratio 27.17%

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

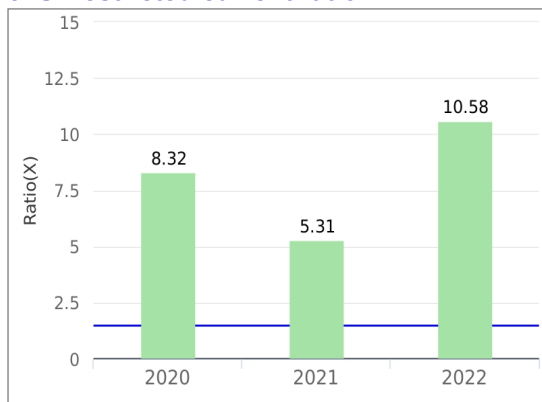
Benchmark: — > 60.00%

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 2021/22 result

2021/22 ratio 10.58x

Council continues to maintain adequate working capital to satisfy its obligations through careful management. This result is a good long term stability indicator.

Benchmark: — > 1.50x

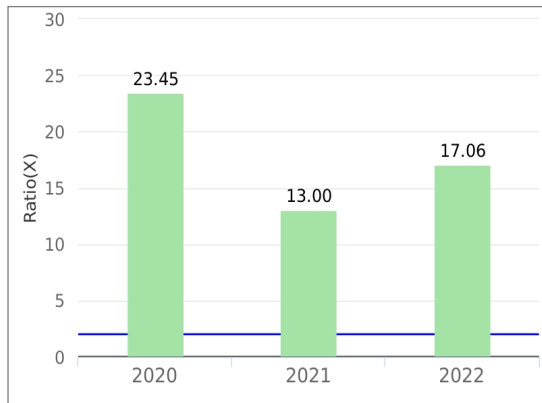
Source of benchmark: Code of Accounting Practice and Financial Reporting

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 2021/22 result

2021/22 ratio 17.06x

Council has adequate cash to service all borrowings and this ratio is consistently well above the required benchmark.

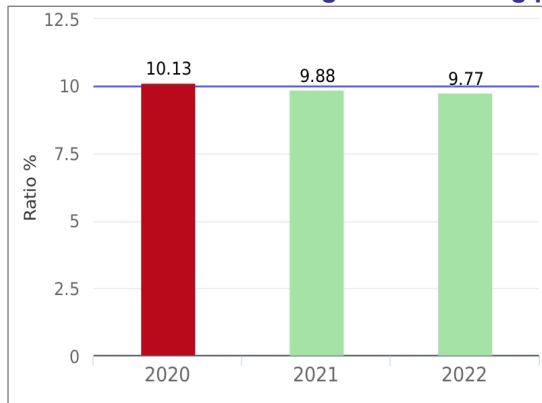
Benchmark: — > 2.00x

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

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 2021/22 result

2021/22 ratio 9.77%

This ratio is trending downward as the financial impacts of COVID-19 and the suspension of debt recovery reduce.

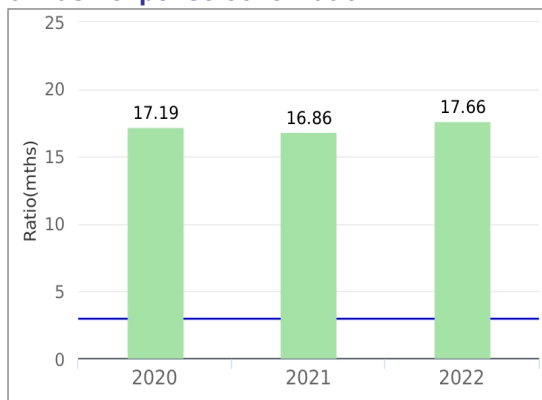
Benchmark: — < 10.00%

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

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 2021/22 result

2021/22 ratio 17.66 months

This ratio sits well above the required industry benchmark and reflects the close monitoring of cash reserves.

Benchmark: — > 3.00months

Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

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

Beverley Furner
David Fensom
Geoff Peters
Julie Potter
Heather Lyall
Michael Armstrong
Bill Kite
Leon Cashmere
Damon Liddicoat

Other information

ABN: 86 008 844 676



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Carrathool Shire Council

To the Councillors of Carrathool Shire Council

Qualified 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 2022, the Statement of Financial Position as at 30 June 2022, 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, except for the effects of the matter described in the 'Basis for Qualified Opinion' section of my report:

- 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 2022, 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 qualified opinion should be read in conjunction with the rest of this report.

Basis for Qualified Opinion

Non recognition of rural fire-fighting equipment

As disclosed in Notes C1-6 and E3-1 to the financial statements, the Council has not recognised rural fire-fighting equipment as assets within 'Infrastructure, property, plant and equipment' in the Statement of Financial Position at 30 June 2022. In my opinion, these assets are controlled by the Council and should be recognised as assets in accordance with AASB 116 'Property, Plant and Equipment'.

Australian Accounting Standards refers to control of an asset as being the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

Rural fire-fighting equipment is controlled by the Council as:

- these assets are vested in the Council under section 119(2) of the *Rural Fires Act 1997* (Rural Fires Act), giving the Council legal ownership
- the Council has the ability, outside of emergency events as defined in section 44 of the Rural Fires Act, to prevent the NSW Rural Fire Service from directing the use of the rural fire-fighting equipment by either not entering into a service agreement, or cancelling the existing service agreement that was signed on 13 December 2010
- the Council has specific responsibilities for fire mitigation and safety works and bush fire hazard reduction under Part 4 of the Rural Fires Act. The Council obtains economic benefits from the rural fire-fighting equipment as these assets are used to fulfil Council's responsibilities
- in the event of the loss of an asset, the insurance proceeds must be paid into the New South Wales Rural Fire Fighting Fund (section 119(4) of the Rural Fires Act) and be used to reacquire or build a similar asset, which is again vested in the Council as an asset provided free of charge.

The Council has not undertaken procedures to confirm the completeness, accuracy, existence or condition of these assets. Nor has the Council performed procedures to identify the value of assets vested in it during the year. When these assets are vested, no financial consideration is required from the Council and as such these are assets provided to Council free-of-charge.

This is a limitation on the scope of my audit as I was unable to obtain sufficient appropriate audit evidence to:

- support the carrying values of rural fire-fighting equipment assets that should be recorded in the Statement of Financial Position and related notes as at 30 June 2022
- determine the impact on the 'Accumulated surplus' in the Statement of Changes in Equity and Statement of Financial Position
- determine the amount of 'Grants and contributions provided for capital purposes' income from any rural fire-fighting equipment assets vested as an asset received free of charge during the year and/or 'Depreciation, amortisation and impairment of non-financial assets' expense that should be recognised in the Income Statement for the year ended 30 June 2022
- determine the impact on the 'Operating performance' and 'Own source operating revenue' ratios in Note G4-1 'Statement of performance measures – consolidated results' and Note G4-2 'Statement of performance measures by fund'.

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 qualified audit opinion.

Other Information

The Council's annual report for the year ended 30 June 2022 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/ar3.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.

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

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

21 October 2022
SYDNEY



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

Contact: Unaib Jeffrey
Phone no: (02) 9275 7450
Our ref: D2220989/1709

21 October 2022

Dear Mayor

Report on the Conduct of the Audit for the year ended 30 June 2022 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 2022 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed a modified 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 2022 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.

Modification to the opinion in the Independent Auditor's Report

Non-recognition of rural fire-fighting equipment

The Council has not recognised rural fire-fighting equipment as assets within 'Infrastructure, property, plant and equipment' in the Statement of Financial Position at 30 June 2022. In my opinion, these assets are controlled by the Council and should be recognised as assets in accordance with AASB 116 'Property, Plant and Equipment'.

Australian Accounting Standards refers to control of an asset as being the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset. Control includes the ability to prevent other entities from directing the use of, and obtaining the benefits from, an asset.

Rural fire-fighting equipment is controlled by the Council as:

- these assets are vested in the Council under section 119(2) of the *Rural Fires Act 1997* (Rural Fires Act), giving the Council legal ownership
- the Council has the ability, outside of emergency events as defined in section 44 of the Rural Fires Act, to prevent the NSW Rural Fire Service from directing the use of the rural fire-fighting

equipment by either not entering into a service agreement, or cancelling the existing service agreement that was signed on 13 December 2010

- the Council has specific responsibilities for fire mitigation and safety works and bush fire hazard reduction under Part 4 of the Rural Fires Act. The Council obtains economic benefits from the rural fire-fighting equipment as these assets are used to fulfil Council's responsibilities
- in the event of the loss of an asset, the insurance proceeds must be paid into the New South Wales Rural Fire Fighting Fund (section 119(4) of the Rural Fires Act) and be used to reacquire or build a similar asset, which is again vested in the Council as an asset provided free of charge.

The Council has not undertaken procedures to confirm the completeness, accuracy, existence or condition of these assets. Nor has the Council performed procedures to identify the value of assets vested in it during the year. When these assets are vested, no financial consideration is required from the Council and as such these are assets provided to Council free-of-charge.

Consequently, we were unable to determine the carrying values of rural firefighting equipment assets and related amounts that should be recorded and recognised in the council's 30 June 2022 financial statements.

This has resulted in the audit opinion on the Council's 30 June 2022 GPFS to be modified.

Refer to the Independent Auditor's report on the GPFS.

INCOME STATEMENT

Operating result

	2022	2021	Variance
	\$m	\$m	%
Rates and annual charges revenue	5.7	5.5	↑ 3.6
Grants and contributions revenue	28.6	17.3	↑ 65.3
Operating result from continuing operations	15.7	2.0	↑ 685.0
Net operating result before capital grants and contributions	7.6	(1.6)	↑ 575.0

Rates and annual charges revenue increased by \$0.2 million (3.6 per cent) in 2021–22, with the main increase due to the IPART rate peg increase of 2 per cent.

Grants and contributions revenue (\$28.6 million) increased by \$11.3 million (65.3 per cent) in 2021–22 due to:

- increase of \$2.5 million in financial assistance grants
- increase of \$7.1 million of Storm/Flood damage grants to repair roads
- increase of \$5.0 million of capital grants for Transport (other roads and bridges funding)

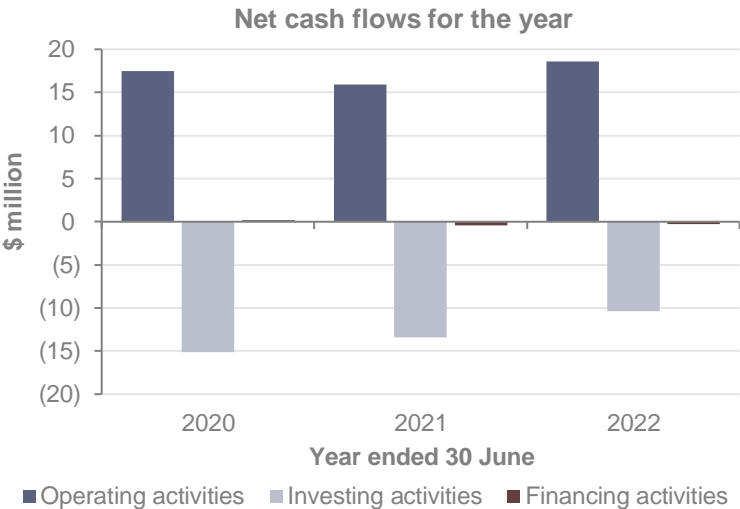
The Council's operating result from continuing operations (\$15.7 million including depreciation and amortisation expense of \$6.2 million) was \$13.7 million higher than the 2020–21 result. This increase

was mainly due to the increase in grants and contributions as noted above and reduction in expenses of \$2.7 million mainly due to \$2 million reduction in depreciation expense which was caused by revaluation decrement of road assets at the end of prior year.

The net operating result before capital grants and contributions (\$7.6 million) was \$9.2 million higher than the 2020–21 result. This increase mainly due to the \$7.1 million increase in Storm/Flood damage grants and reduction in expenses of \$2.7 million mainly due to \$2 million reduction in depreciation expense as noted above.

STATEMENT OF CASH FLOWS

- Council's cash and cash equivalents were \$20.4 million (\$12.5 million for the year ended 30 June 2021). There was a net increase of cash and cash equivalents of \$7.9 million during the 2021-22 financial year.
- Net cash provided by operating activities increased by \$2.7 million mainly due to an increase in grants and contributions received.
- Net cash used in investing activities decreased by \$3.0 million, largely due to a movement in redemption and acquisition of term deposits.
- Net cash used in financing activities increased by \$116 thousand due to the lower repayments of existing borrowings combined with no new borrowings in 2022.



FINANCIAL POSITION

Cash and investments

Cash and investments	2022	2021	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	30.7	26.8	<ul style="list-style-type: none"> Externally restricted cash and investments are restricted in their use by externally imposed requirements. The decrease of \$1.8 million is mainly due to a decrease of \$2.6 million in specific purpose unexpended grants in the general fund and \$0.8 million increase in water and sewer funds.
Restricted and allocated cash, cash equivalents and investments:			
• External restrictions	7.3	9.1	<ul style="list-style-type: none"> 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. The increase of \$3.1 million is primarily due to a \$2.1 million increase in the internal restriction on Financial Assistance Grants received in advance.
• Internal allocations	16.9	13.8	
• Unrestricted	6.4	3.9	<ul style="list-style-type: none"> Unrestricted cash and investments were \$6.4 million, which is available to provide liquidity for day-to-day operations of the Council. There was a \$2.5 million increase due to an increase in unrestricted cash and investments balance.

Debt

The Council has \$2.9 million of borrowings as at 30 June 2022 (2021: \$3.2 million).

PERFORMANCE

Performance measures

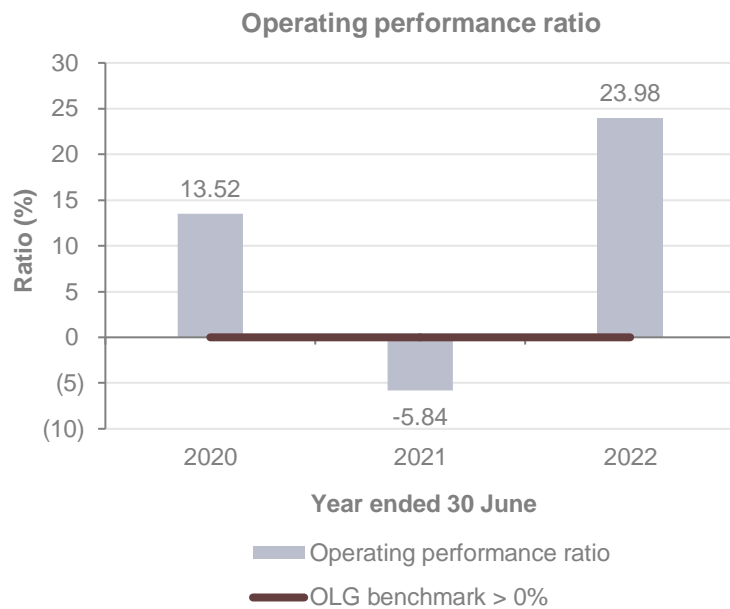
The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning and Environment.

Operating performance ratio

The Council exceeded the OLG benchmark for the current reporting period.

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 operating performance ratio increased to 23.98 per cent (2021: (5.84) per cent) mainly due to a \$6.4 increase in grants and contributions for operating purposes.

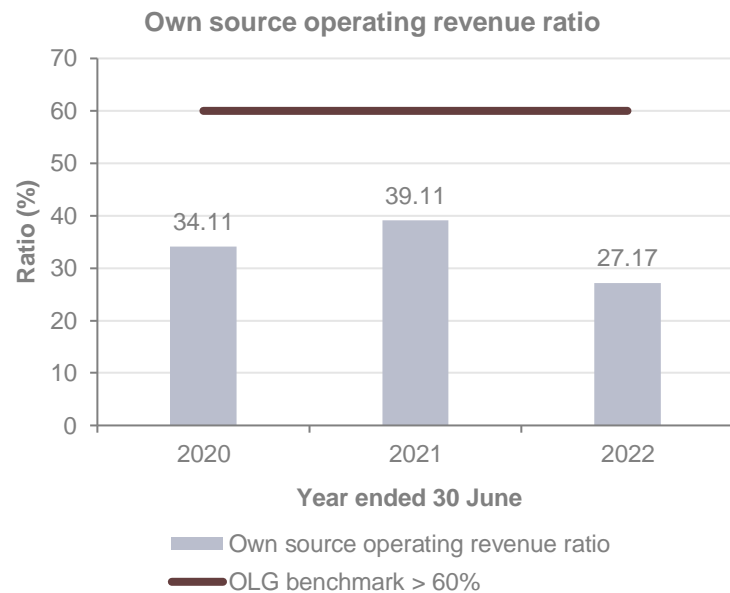


Own source operating revenue ratio

The Council did not meet the OLG benchmark for the current reporting period.

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 own source operating revenue ratio decreased to 27.17 per cent from 39.11 per cent due to the increase in grants and contributions noted above.

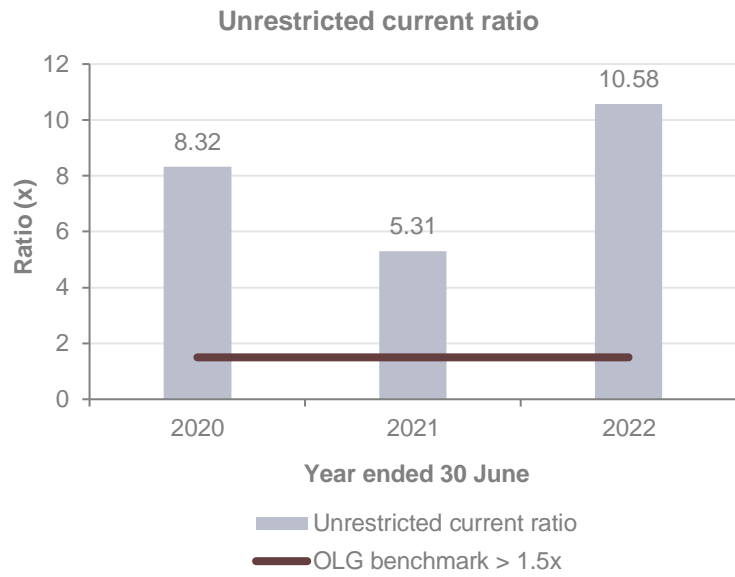


Unrestricted current ratio

The Council exceeded the OLG benchmark for the current reporting period.

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.

Council's unrestricted current ratio increased due to a decrease in current liabilities.

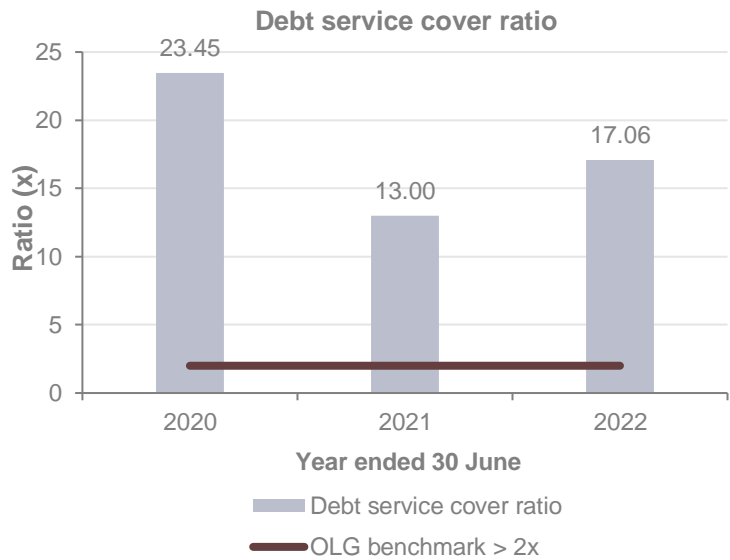


Debt service cover ratio

The Council exceeded the OLG benchmark for the current reporting period.

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 debt service cover ratio increased to 17.06 times (2021: 13.0 times) due to the decrease in borrowings due to repayments.

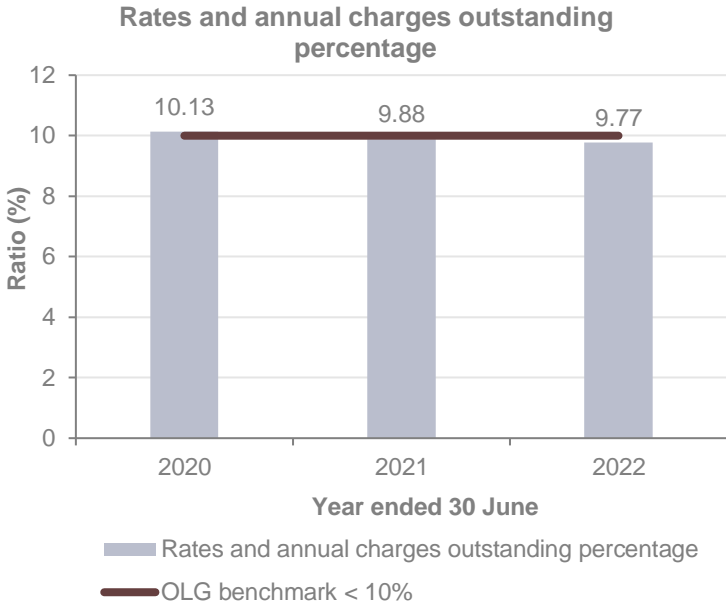


Rates and annual charges outstanding percentage

The Council met the OLG benchmark for the current reporting period.

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 9.77 per cent is consistent with prior year of 9.88 per cent.

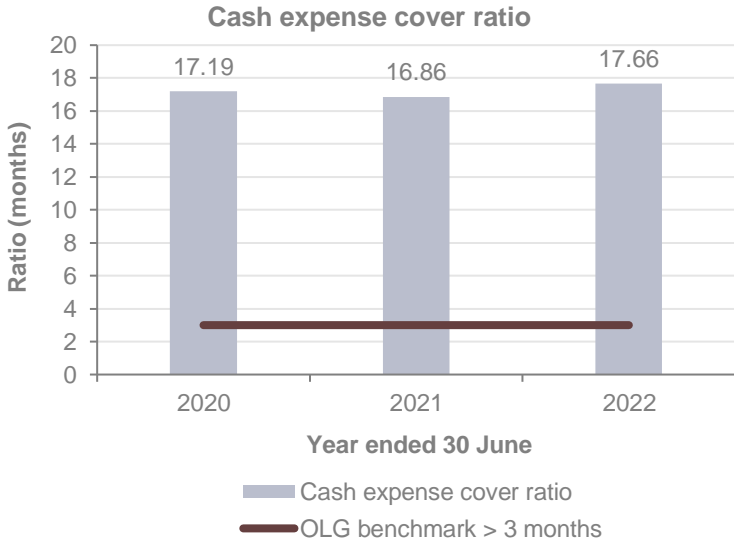


Cash expense cover ratio

The Council exceeded the OLG benchmark for the current reporting period.

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 has increased slightly due to an increase in grants and contributions.



Infrastructure, property, plant and equipment renewals

The Council renewed \$6.2 million of assets in the 2021-22 financial year, compared to \$12.1 million of renewed assets in the 2020-21 financial year.

OTHER MATTERS

Legislative compliance

My audit procedures identified a material deficiency in the Council's financial statements that will be reported in the Management Letter. Rural fire-fighting equipment was not recognised in the financial statements.

Except for the matter outlined above, the Council's:

- accounting records were maintained in a manner and form that facilitated the preparation and the effective audit of the GPFS
- 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
Mr Michael Cassel, Secretary of the Department of Planning, Industry and Environment



Carrathool Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2022



Carrathool Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2022

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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 2022

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 20 September 2022.



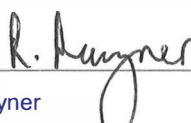
Cr Darryl Jardine
Mayor
20 September 2022



Cr Beverley Fumer
Councillor
20 September 2022



Rick Warren
General Manager
20 September 2022



Robert Rayner
Responsible Accounting Officer
20 September 2022

Carrathool Shire Council

Income Statement of water supply business activity

for the year ended 30 June 2022

\$ '000	2022	2021
Income from continuing operations		
Access charges	1,039	994
User charges	1,328	1,338
Interest and investment income	18	2
Grants and contributions provided for operating purposes	7	7
Other income	31	24
Total income from continuing operations	2,423	2,365
Expenses from continuing operations		
Employee benefits and on-costs	441	423
Borrowing costs	54	58
Materials and services	1,000	907
Depreciation, amortisation and impairment	980	1,001
Net loss from the disposal of assets	-	54
Total expenses from continuing operations	2,475	2,443
Surplus (deficit) from continuing operations before capital amounts	(52)	(78)
Grants and contributions provided for capital purposes	270	-
Surplus (deficit) from continuing operations after capital amounts	218	(78)
Surplus (deficit) from all operations before tax	218	(78)
Surplus (deficit) after tax	218	(78)
Plus accumulated surplus	7,827	7,905
Closing accumulated surplus	8,045	7,827
Return on capital %	0.0%	(0.1)%
Subsidy from Council	1,223	581
Calculation of dividend payable:		
Surplus (deficit) after tax	218	(78)
Less: capital grants and contributions (excluding developer contributions)	(270)	-
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 2022

\$ '000	2022	2021
Income from continuing operations		
Access charges	566	512
Interest and investment income	5	–
Grants and contributions provided for operating purposes	5	5
Other income	10	80
Total income from continuing operations	586	597
Expenses from continuing operations		
Employee benefits and on-costs	61	61
Borrowing costs	11	13
Materials and services	120	103
Depreciation, amortisation and impairment	134	136
Total expenses from continuing operations	326	313
Surplus (deficit) from continuing operations before capital amounts	260	284
Surplus (deficit) from continuing operations after capital amounts	260	284
Surplus (deficit) from all operations before tax	260	284
Less: corporate taxation equivalent (25%) [based on result before capital]	(65)	(74)
Surplus (deficit) after tax	195	210
Plus accumulated surplus	2,866	2,582
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	65	74
Closing accumulated surplus	3,126	2,866
Return on capital %	5.5%	7.8%
Subsidy from Council	–	–
Calculation of dividend payable:		
Surplus (deficit) after tax	195	210
Surplus for dividend calculation purposes	195	210
Potential dividend calculated from surplus	98	105

Carrathool Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2022

\$ '000	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	3,239	2,929
Receivables	142	148
Total current assets	3,381	3,077
Non-current assets		
Receivables	266	273
Infrastructure, property, plant and equipment	33,478	37,647
Total non-current assets	33,744	37,920
Total assets	37,125	40,997
LIABILITIES		
Current liabilities		
Contract liabilities	178	–
Borrowings	103	99
Total current liabilities	281	99
Non-current liabilities		
Borrowings	1,303	1,406
Total non-current liabilities	1,303	1,406
Total liabilities	1,584	1,505
Net assets	35,541	39,492
EQUITY		
Accumulated surplus	8,045	7,827
Revaluation reserves	27,496	31,665
Total equity	35,541	39,492

Carrathool Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2022

\$ '000	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	1,294	793
Receivables	43	39
Total current assets	1,337	832
Non-current assets		
Receivables	81	73
Infrastructure, property, plant and equipment	4,969	3,784
Total non-current assets	5,050	3,857
Total assets	6,387	4,689
LIABILITIES		
Current liabilities		
Contract liabilities	230	–
Payables	1	1
Borrowings	50	49
Total current liabilities	281	50
Non-current liabilities		
Borrowings	401	452
Total non-current liabilities	401	452
Total liabilities	682	502
Net assets	5,705	4,187
EQUITY		
Accumulated surplus	3,125	2,866
Revaluation reserves	2,580	1,321
Total equity	5,705	4,187

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. 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 (%)

Note – Significant Accounting Policies (continued)

Corporate income tax rate – **25%** (20/21 26%)

Land tax – the first \$822,000 of combined land values attracts **0%**. For the combined land values in excess of \$822,000 up to \$5,026,000 the rate is **\$100 + 1.6%**. For the remaining combined land value that exceeds \$5,026,000 a premium marginal rate of **2.0%** applies.

Payroll tax – **4.85%** on the value of taxable salaries and wages in excess of \$1,200,000.

In accordance with the Department of Planning, Industry & Environment – 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 Act.

Achievement of substantial compliance to the DPIE – 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 25% (20/21 26%).

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 25% 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.

(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 DPIE – Water guidelines and must not exceed:

- 50% of the relevant surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2022 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

Note – Significant Accounting Policies (continued)

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 submitted to DPIE – Water.



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Carrathool Shire Council

To the Councillors of Carrathool Shire Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Carrathool Shire Council's (the Council) Declared Business Activities, which comprise the Statement by Councillors and Management, the Income Statement of each Declared Business Activity for the year ended 30 June 2022, the Statement of Financial Position of each Declared Business Activity as at 30 June 2022 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 2022, 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 2021–22 (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 2022 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, sweeping flourish extending to the right.

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

21 October 2022
SYDNEY



Carrathool Shire Council

SPECIAL SCHEDULES

for the year ended 30 June 2022



Carrathool Shire Council

Special Schedules

for the year ended 30 June 2022

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Carrathool Shire Council

Permissible income for general rates

\$ '000	Notes	Calculation 2021/22	Calculation 2022/23
Notional general income calculation ¹			
Last year notional general income yield	a	3,555	3,615
Plus or minus adjustments ²	b	(12)	(9)
Notional general income	c = a + b	3,543	3,606
Permissible income calculation			
Or rate peg percentage	e	2.00%	0.70%
Or plus rate peg amount	i = e x (c + g)	71	25
Sub-total	k = (c + g + h + i + j)	3,614	3,631
Plus (or minus) last year's carry forward total	l	(8)	(3)
Less valuation objections claimed in the previous year	m	-	(6)
Sub-total	n = (l + m)	(8)	(9)
Total permissible income	o = k + n	3,606	3,622
Less notional general income yield	p	3,615	3,622
Catch-up or (excess) result	q = o - p	(9)	-
Plus income lost due to valuation objections claimed ⁴	r	6	-
Carry forward to next year ⁶	t = q + r + s	(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 (NSW)*.
- (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 Act. 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 2023.

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 2021–22 (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 2022 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 2022'.

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, sweeping flourish extending to the right.

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

21 October 2022
SYDNEY

Carrathool Shire Council

Report on infrastructure assets as at 30 June 2022

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard \$ '000	Estimated cost to bring to the agreed level of service set by Council \$ '000	2021/22 Required maintenance ^a \$ '000	2021/22 Actual maintenance \$ '000	Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings	Council Offices / Administration Centres	–	–	30	18	2,579	4,120	95.0%	5.0%	0.0%	0.0%	0.0%
	Council Works Depot	–	–	25	40	1,111	2,033	15.0%	85.0%	0.0%	0.0%	0.0%
	Buildings – specialised	–	–	35	38	1,958	2,574	46.0%	54.0%	0.0%	0.0%	0.0%
	Council Public Halls	–	–	30	17	4,401	8,112	18.0%	78.0%	4.0%	0.0%	0.0%
	Libraries	–	–	15	3	1,714	2,649	0.0%	100.0%	0.0%	0.0%	0.0%
	Cultural Facilities	202	–	–	–	80	947	0.0%	0.0%	0.0%	100.0%	0.0%
	Other Buildings	–	–	22	6	8,882	11,359	51.0%	27.0%	18.0%	4.0%	0.0%
	Council Dwellings	–	–	35	30	4,449	6,012	39.0%	61.0%	0.0%	0.0%	0.0%
Sub-total		202	–	192	152	24,965	37,806	39.7%	50.3%	6.3%	3.7%	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	–	–	1,304	1,137	56,840	75,781	30.0%	42.0%	28.0%	0.0%	0.0%
	Unsealed roads	241	–	1,563	4,357	59,312	72,984	14.0%	28.0%	53.0%	5.0%	0.0%
	Bridges	–	–	20	20	23,254	27,926	85.0%	15.0%	0.0%	0.0%	0.0%
	Footpaths	–	–	20	13	1,958	2,372	78.0%	16.0%	6.0%	0.0%	0.0%
	Access Roadways and Carparks	–	–	5	–	280	376	0.0%	82.0%	18.0%	0.0%	0.0%
	Major Road Culverts	–	–	15	10	931	1,519	25.0%	19.0%	56.0%	0.0%	0.0%
	Kerb and Gutter	–	–	20	3	2,396	3,385	57.0%	37.0%	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	241	–	2,947	5,540	144,971	184,343	33.0%	31.8%	33.2%	2.0%	0.0%
Water supply network	Bores	–	–	23	37	436	922	0.0%	43.0%	57.0%	0.0%	0.0%
	Mains	–	–	357	336	27,268	59,411	15.0%	8.0%	72.0%	5.0%	0.0%
	Reservoirs	–	–	32	34	1,987	4,085	0.0%	11.0%	89.0%	0.0%	0.0%
	Pumping Stations/s	–	–	265	244	1,818	2,946	4.0%	78.0%	18.0%	0.0%	0.0%
	Treatment	–	–	40	38	1,282	1,690	42.0%	12.0%	46.0%	0.0%	0.0%
	Telemetry	–	–	81	59	379	673	53.0%	47.0%	0.0%	0.0%	0.0%
	Sub-total	–	–	798	748	33,170	69,727	14.5%	12.1%	69.2%	4.3%	0.0%

Carrathool Shire Council

Report on infrastructure assets as at 30 June 2022 (continued)

Asset Class	Asset Category	Estimated cost		2021/22 Required maintenance ^a	2021/22 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	–	–	49	30	2,597	4,455	0.0%	10.0%	90.0%	0.0%	0.0%	
	Pumping Stations/s	–	–	69	50	1,045	1,865	0.0%	36.0%	64.0%	0.0%	0.0%	
	Treatment	–	–	17	15	1,063	1,472	0.0%	1.0%	99.0%	0.0%	0.0%	
	Telemetry	–	–	9	1	220	231	48.0%	52.0%	0.0%	0.0%	0.0%	
	Sub-total		–	–	144	96	4,925	8,023	1.4%	15.6%	83.0%	0.0%	0.0%
Stormwater drainage	Stormwater drainage	97	–	51	30	2,420	3,587	10.0%	48.0%	42.0%	0.0%	0.0%	
	Sub-total	97	–	51	30	2,420	3,587	10.0%	48.0%	42.0%	0.0%	0.0%	
Open space / recreational assets	Swimming pools	–	–	132	94	3,522	4,513	78.0%	22.0%	0.0%	0.0%	0.0%	
	Recreational Infrastructure	–	–	20	11	3,346	5,126	58.0%	38.0%	4.0%	0.0%	0.0%	
	Sub-total	–	–	152	105	6,868	9,639	67.4%	30.5%	2.1%	0.0%	0.0%	
Other infrastructure assets	Levee Banks	–	–	40	29	1,806	2,007	64.0%	36.0%	0.0%	0.0%	0.0%	
	Sub-total	–	–	40	29	1,806	2,007	64.0%	36.0%	0.0%	0.0%	0.0%	
Total – all assets		540	–	4,324	6,700	219,155	315,163	29.9%	29.4%	38.1%	2.5%	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 2022

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2022	Indicator 2022	Indicators		Benchmark
			2021	2020	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	1,947	40.29%	170.65%	135.39%	>= 100.00%
Depreciation, amortisation and impairment	4,833				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	540	0.23%	0.36%	0.48%	< 2.00%
Net carrying amount of infrastructure assets	230,290				
Asset maintenance ratio					
Actual asset maintenance	6,700	154.95%	105.10%	98.46%	> 100.00%
Required asset maintenance	4,324				
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	315,163				

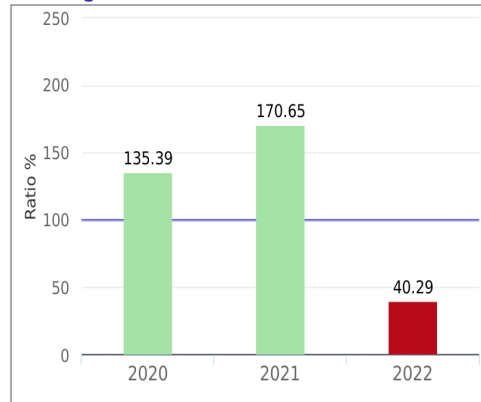
(*) All asset performance indicators are calculated using classes identified in the previous table.

(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 2022

Buildings and infrastructure renewals ratio



Buildings and infrastructure renewals ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Commentary on result	
21/22 ratio	40.29%
Council has utilised a large amount of grant funding on new capital works for roads instead of capital renewals.	

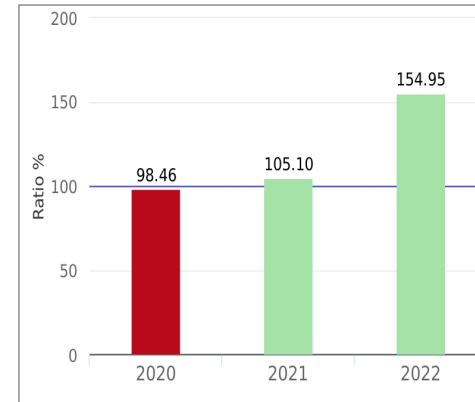
Benchmark: — $\geq 100.00\%$

■ Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

■ Ratio is outside benchmark

Asset maintenance ratio



Asset maintenance ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

Commentary on result	
21/22 ratio	154.95%
Due to a large amount of grant funding, Council has been able to utilise greater amounts of own-source revenue on asset maintenance works.	

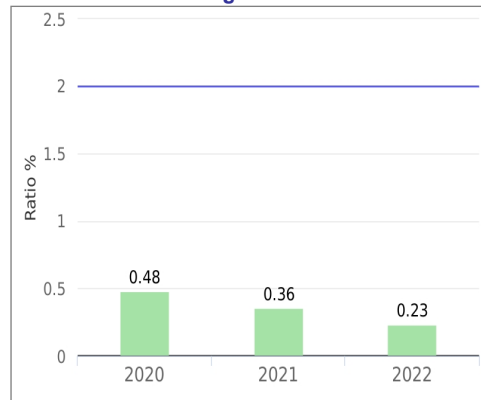
Benchmark: — $> 100.00\%$

■ Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

■ Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Commentary on result	
21/22 ratio	0.23%
Due to a large amount of grant funding, Council has been able to continue reducing the infrastructure works backlog.	

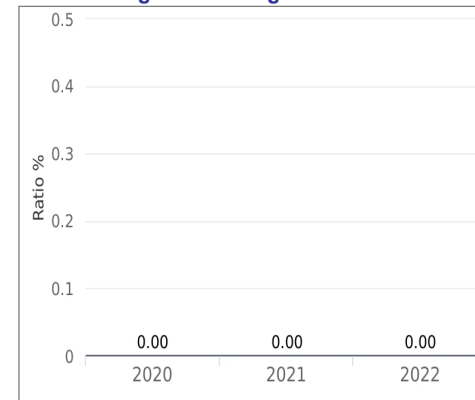
Benchmark: — $< 2.00\%$

■ Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting

■ Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

Commentary on result	
21/22 ratio	0.00%

Carrathool Shire Council

Report on infrastructure assets as at 30 June 2022

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2022	2021	2022	2021	2022	2021	
Buildings and infrastructure renewals ratio							
Asset renewals ¹							
Depreciation, amortisation and impairment	30.01%	187.28%	79.59%	84.80%	38.28%	71.54%	>= 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	0.28%	0.45%	0.00%	0.00%	0.00%	0.00%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	173.15%	106.21%	93.73%	106.41%	66.67%	60.95%	> 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.



Welcome to
LACHLAN RIVER
WALKING TRAIL