

# Annual Report 2021 - 2022









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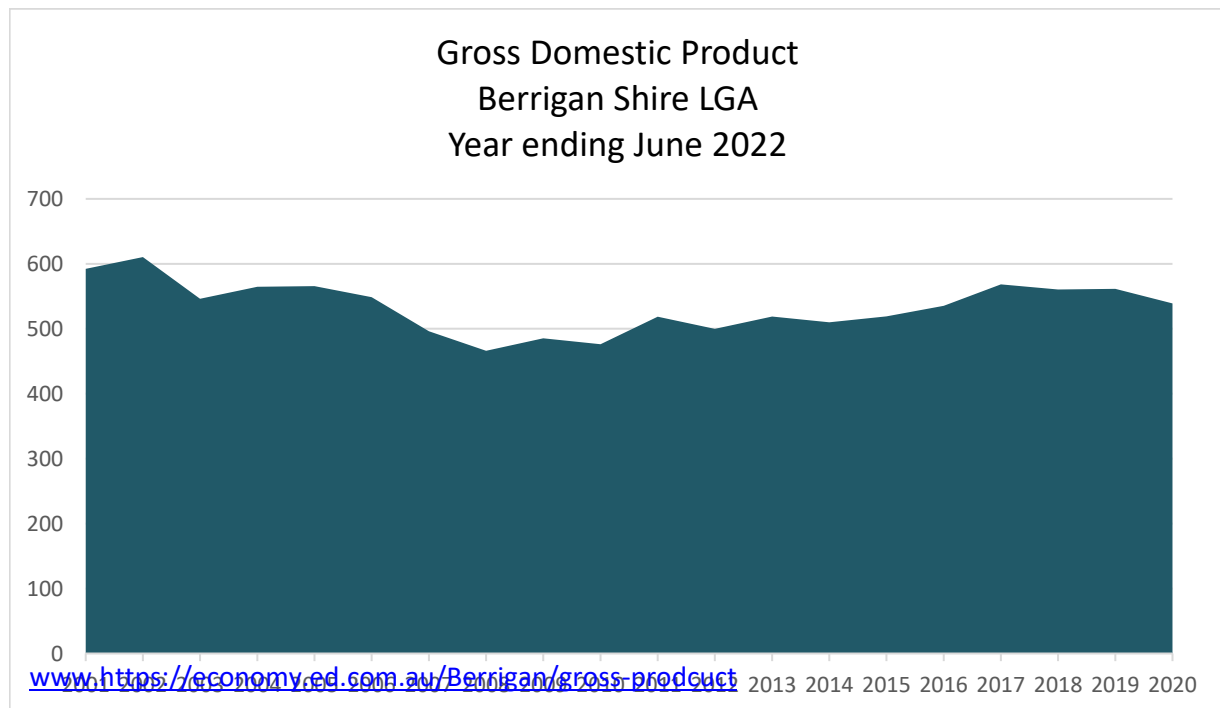
# About us

Consisting predominantly of irrigated rural land the Berrigan Shire is in the southern Riverina. Agriculture, transport and tourism form the basis of its income. The Berrigan Shire is located to the north of the Murray River halfway between Albury and Echuca less than a three-hour drive from Melbourne.

Our Council boundaries encompass the towns of Barooga, Berrigan, Finley and Tocumwal, offering residents and visitors a range of first-class recreation, lifestyle, health and education facilities.

### Fast Facts

Gazetted as a Shire:	1906
Population 2021:	8,612
Forecast Population 2022:	9,015
Forecast population 2036:	9,818
Forecast Change population growth 2022 – 2036	8.9%
Number of Councillors:	8
Length of our roads:	1,316 km





# Our Vision

In 2032 we will be recognised as a Shire that builds on and promotes our natural assets and advantages to create employment and economic activity to attract residents, families and tourists.

Developed at the Shire's Futures Conference (June 2011) and reviewed by the Council in 2016 and 2022 our vision reflects the top 'preferred futures' of our communities that:

1. Families with young children will want to live in or come to the area.
2. People will be more concerned about their health and wellbeing.
3. Tourists will go out of their way to come to the area.

The message from our communities in 2011 and in 2016 remains that our communities value the Shire's natural assets and advantages

- Lifestyle
- The Murray River
- Irrigated Agriculture; and
- Tourism

[Berrigan Shire 2032](#) is our Community Strategic Plan and the achievement of its Vision and priorities, is a collaboration requiring the involvement of our communities, individuals, local businesses, and Council. A collaboration requiring also engagement and partnership with other levels of government and the non-government service providers that outreach to and provide services in our towns.





# Mayor

To the community of the Berrigan Shire. It's an ongoing privilege to represent, advocate and serve our community. Along with my fellow councillors we all have been working diligently to provide vision, foresight, and projects for our communities.

The annual report is a time to reflect on the many projects and highlights throughout the past year.

Some of these projects have either been completed and or opened in the last year. The Tocumwal foreshore building is now fully tenanted. This area is a hive of activity and something that all should be proud of.

Many of our parks have been upgraded and this is providing a place for residents and visitors alike to spend time relaxing in.

Foundry Park in Finley is one that attracts many a visitor to stop and enjoy the surrounds whilst breaking up their journey.

We have also completed and are now implementing many of our masterplans. Barooga Recreation Reserve is the latest to see works begin to start.

Councillors and staff have been working extremely hard as a team. Welcoming 5 new councillors and many new staff to the Berrigan Shire has seen the council hit the ground running.

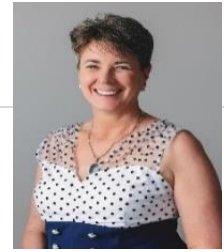
Over the next 12-months Council will continue the delivery of its extensive capital works program. It will maintain Council owned assets and continue to:

- invest in the maintenance and further development of the Shire's network of critical physical infrastructure: roads, stormwater, water, sewer, and waste management facilities.
- plan for the diverse needs of our community families with young children and our older residents
- market and promote the lifestyle and liveability of our communities; and
- work in partnership with neighboring Councils and key stakeholders.

With COVID 19 coming under control, other challenges have presented notably, cost of living, inflation, and pressures on work force and accommodation are some of the issues that councils are navigating their way through, and Berrigan Shire Council is no different. However, it is such a rewarding experience and feeling to represent your community and along with a new dynamic council we look forward to continuing to do this.

The Council will also continue to invest in engaging with regional partners and other levels of government on issues outside the Council's direct control, but which contribute to the economic prosperity and wellbeing of our Shire.





## Chief Executive Officer

I am pleased to present the 2021/2022 Annual Report on behalf of the Council and the Leadership Team. This is the first year of a short term for our new Council and it has been an incredibly difficult and complex one, but one that has brought many highlights. The completion of several signature projects in the reporting period have included:

- Tocumwal Foreshore Building – now operational and fully tenanted;
- Apex Park drainage in Berrigan – which has been tested recently and proved to deliver as promised;
- Finley Railway Park Soundshell – a facility that is already being used regularly
- Corree Street Upgrade – completed and open
- Barooga Recreation Reserve Masterplan – a plan which is now being implemented

Of course there is always more work to do and in process or being planned are the following:

- Review of Council's Local Environment Plan – commenced
- Review of our Community Strategic Plan – to commence next year
- Review of Council's brand – commenced
- Redevelopment of Council's website – commenced

The Annual Report 2021/2022 demonstrates to our community the ways in which Council has implemented its Operational Plan 2021-2022.

Our performance reporting includes annual highlights which provide a snapshot of the diversity of projects and activities achieved by Council. Responsible officers have assessed the success of each agreed outcome committed to in the Operational Plan and where relevant, provided clarifying comments.

Also included in the Annual Report is statutory information including:

- Councillor Fees and Expenses;
- Works undertaken by Council on Private Land;
- Council Committees of Management;
- Public Information and Disclosure Requests;
- Legal Proceedings and Debt Recovery;
- Contractors; Companion Animals; and
- Swimming Pool Inspections.

Finally, I believe I need to make comment regarding the ongoing issue all regional Councils are facing regarding the attempt by Treasury and the Audit Office to force regional Councils to account for Rural Fire Service (RFS) Assets. It must first be made clear that Berrigan Shire, and all Councils, strongly support the work the RFS does in our communities and applaud these very important volunteers. The insistence of the Auditor General that Councils hide State Government owned assets on our accounts is farcical. It defeats all purpose of accounting in the public sector, which is to provide communities with a true, accurate, fair and transparent indication of how all government bodies are performing financially and that includes how we are using your (community) assets and how they are managed. Hiding State Government assets on Council financial statements, though essentially immaterial in an accounting sense to Councils, is not immaterial to the public and this executive team and your Councillors are standing firm (with approximately 60 other Councils) to refuse to account for those assets. We are pushing hard for the required changes to legislation that will allow the RFS to manage and account for their own assets as it should be.



Council was expecting its financial statements to be qualified due to the refusal to account for RFS assets. Qualified audit have been the experience of most who have not accounted for these assets as directed. Council accepted that risk on behalf of our community to ensure this issue is finally put to rest and the RFS are provided the autonomy they need to manage their own assets now and into the future. The Annual Report provided highlights the commitment of Council staff to serving our community to the best of our ability. The results demonstrate that commitment and I thank each and every one of our staff and Councillors for their contributions to the successes outlined in the Berrigan Shire Council 2021 – 2022 Annual Report.



# Shire Profile



Population		Our Top Employing Industries	% of Jobs
Total population 2021	8,612	Agriculture, Forestry & Fishing	21.5
Number of Households	4,267	Health Care & Social Assistance	14.4
Forecast population 2036	9,818	Retail Trade	7.9
Households with Children	1,012	Education & Training	6.7
Occupied Private Dwellings	3,716	Transport, Postal, Warehousing	5.9
Average people per household	2.2		
Median monthly mortgage repayments	\$2,600		
Median Age	49 years		

Source: <https://profile.id.com.au/berrigan>



# Council Meetings

Council meetings are open to the public and held on the third Wednesday of the month commencing at 9.00 am in the Council Chambers, 56 Chanter Street, Berrigan. Residents and ratepayers are encouraged by Council to attend Council meetings at 9.00 am for Public Question Time.

Eight Councillors, representing the whole Shire are elected to Council and ordinarily serve a four-year term. Council's mayor and deputy mayor are elected on a biennial basis by Councillors.

Committees of Council meet on the Wednesday two weeks prior to a Council meeting. Major working Committees of Council are:

- Corporate Services
- Technical Services
- Business and Economic Development
- Risk Management

Council's Strategic Planning framework and suite of integrated plans and strategies guide its decision-making: A suite of plans and strategies which include:

- 10-year Community Strategic Plan;
- 10-year Resourcing Strategy;
- 4-year Delivery Program; and
- Annual Operational Plan.

These plans describe the scope of Council services and the resources (human, physical and financial) needed to ensure the public safety and wellbeing of residents, local businesses and visitors to our Shire.



## Councillors



**Top (Left to Right)** Councillor Carly Marriott (Deputy Mayor), Councillor Matthew Hannan (Mayor), Councillor Julia Cornwell- McKean

**Middle (Left & Right)** Councillor John Taylor, Councillor Ted Hatty



## Councillor Meeting Attendance

**July 2021- December 2021**

DATE	BODEY	BRUCE	REYNOLDSON	GLANVILLE	HANNA N	JONES	MORRIS	TAYLOR
21.07.2021 (extra)	✓	✓	Apology	Apology	✓	✓	✓	✓
18.08.2021	✓	✓	✓	✓	✓	✓	✓	✓
15.09.2021	✓	✓	✓	Resigned	✓	✓	✓	✓
27.09.2021 (extra)	✓	✓	✓		✓	✓	✓	Apology
20.10.2021	✓	✓	✓		✓	✓	✓	✓
17.11.2021	✓	✓	✓		✓	✓	✓	✓
Total Attendance	100%	100%	100%		100%	100%	100%	83%

## January 2022 – June 2022

[illegible]



### Councillor Professional Development Reporting

Under section 23A of the *Local Government Act 1993* (the Act) the Office of Local Government's (OLG) "Chief Executive may from time to time prepare, adopt or vary guidelines to the exercise by a council of any of its functions". Council is required to "take any relevant guidelines issued under this section into consideration before exercising any of its functions".

Part 8A of the *Local Government (General) Regulation 2021* (the Regulation) then spells out the requirements for Councillors to undertake induction training courses (s183 and s184) and ongoing professional development (s185).

In response to the Regulation the OLG have produced a Councillor Induction and Professional Development Guideline (included as Appendix 1).

For Reporting purposes, the following information must be included in the Annual Report:

- the name of the mayor and each individual councillor who completed council's induction program (where the induction program has been delivered during the relevant year);
- the name of the mayor and each councillor who participated in any ongoing professional development program during the year
- the number of training and other activities provided to the mayor and councillors during the year as part of a professional development program; and
- the total cost of induction and professional development activities and any other training provided to the mayor and councillors during the relevant year.

As part of the Annual Reporting process, I have provided each Councillor's Professional Development Plan and noted which courses have been attended. The total cost of the induction program and professional development activities will be provided as a line item in our budget reports to meet the requirements of the Guideline.

Please let me know if I have recorded anything incorrectly or missed any of the training you have undertaken as this information will be presented in our Annual Report.

I will book another round of Professional Development Planning sessions with Councillors for February to ensure the ongoing commitment to professional development can be demonstrated to the community.



## Councillor Training

All Councillors have entered into Professional Development Plans with the Chief Executive Officer. Agreed training, training completed, training currently being undertaken and training planned is indicated in the table below.

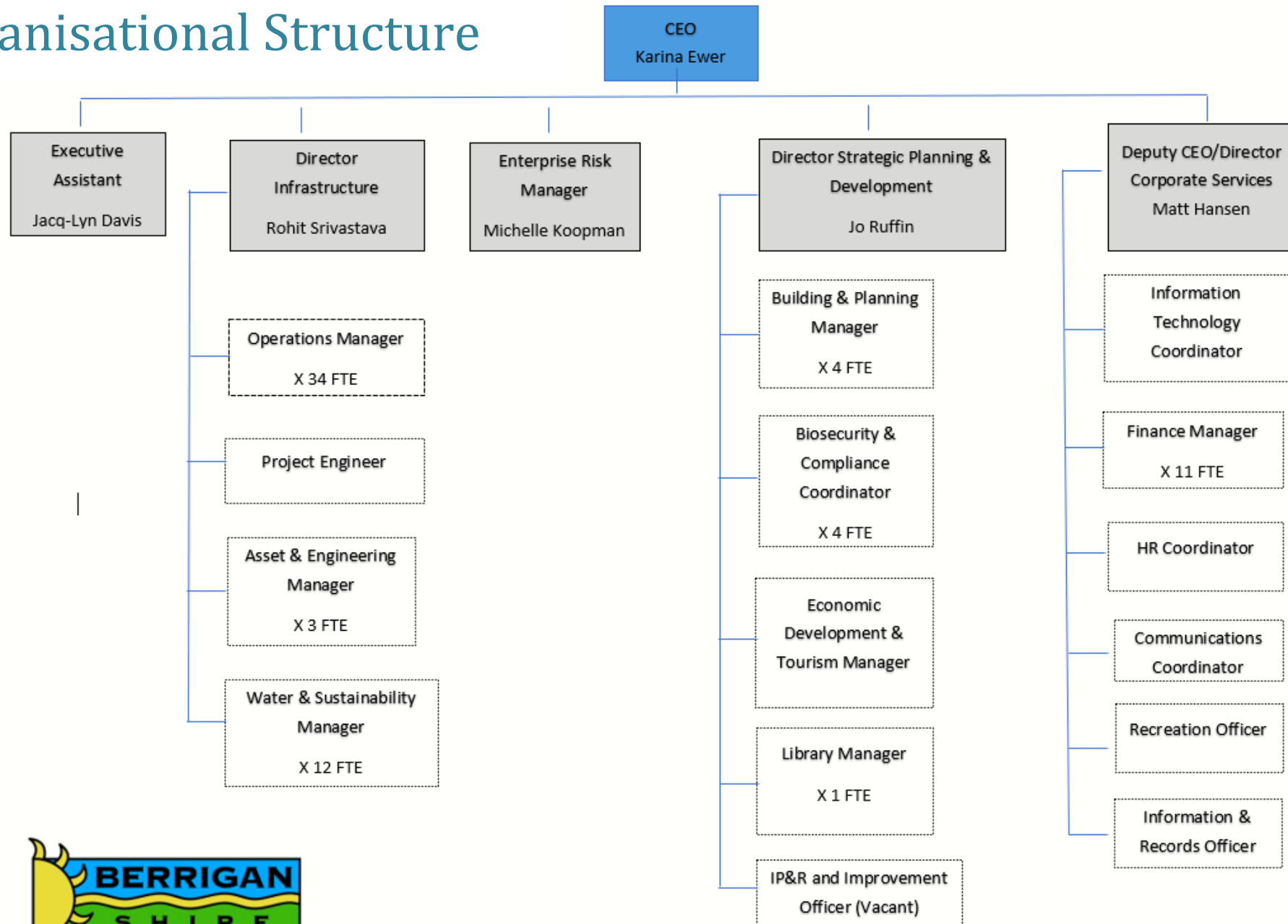
Councillor	Training	Completed	Current	Planned
Cr Hannan	Induction	✓	✓	
	Councillor Tour	✓		
	Corporate Workshop Feb	✓		
	Corporate Workshop Oct	✓		
	Company Directors Course	✓	✓	
	Probity Training	✓		
	Understanding Local Government Finances	✓		
Cr Marriott	Induction	✓		
	Councillor Tour	✓		
	Corporate Workshop Feb	✓		
	Corporate Workshop Oct	✓		
	Probity Training	✓		
	Understanding LG Finances	✓		
	Planning for Councillors	✓		
	Speed Reading	✓		
Cr Cornwell-McKean	Induction	✓		
	Councillor Tour	✓		
	Corporate Workshop Feb	✓		
	Corporate Workshop Oct	✓		
	Company Directors Course	✓	✓	
	ARIC Training	✓		
	Essentials of Cyber Security	✓		
Cr Taylor	Induction	✓		
	Councillor Tour	✓		
	Corporate Workshop Feb	✓		
	Corporate Workshop Oct	✓		
	Probity Training	✓		



Councillor	Training	Completed	Current	Planned
Cr Hatty	Induction	✓		
	Councillor Tour	✓		
	Corporate Workshop Feb	✓		
	Corporate Workshop Oct	✓		
	Probity Training	✓		
Cr McNaught	Induction	✓		
	Councillor Tour	✓		
	Corporate Workshop Feb	✓		
	Corporate Workshop Oct	✓		
	Probity Training	✓		
Cr Reynoldson	Induction	✓		
	Councillor Tour	✓		
	Corporate Workshop Feb	✓		
	Corporate Workshop Oct	✓		
	Probity Training	✓		
Cr Paine	Induction	✓		
	Councillor Tour	✓		
	Corporate Workshop Feb	✓		
	Corporate Workshop Oct	✓		
	Probity Training	✓		
	Integrated Planning and Reporting	✓		
	Cyber Security	✓		
	Community and Stakeholder Engagement	✓		
	Speed Reading	✓		



# Organisational Structure





The Shire Council's annual operational plan and Delivery Program describe the full range of council services. It is themed according to [Berrigan Shire 2032](#) strategic outcomes and is the Council's blue print about how Council services, programs and initiatives contribute toward our strategic outcomes:

- Sustainable natural and built landscapes
- Good government
- Supported and engaged communities
- Diverse and resilient business

The following figure illustrates the strategic outcome, Council's Delivery Program outputs, Operational plan actions and the review logic and integration of [Berrigan Shire 2032](#) with the Council's suite of integrated plans.








Council Services: What the Council Does		
CSP: Strategic Outcome	Service	Delivery Program Outputs
Sustainable natural and built landscapes	Housing	Planning and building control
	Environment	Storm water, street cleaning, noxious weed control, waste
	Sewerage Services	Sewer System
	Mining, Manufacturing and Construction	Quarries
Good government	Transport and Communication	Roads and footpaths, street lighting, aerodrome
	Administration	General Administration charges and costs associated with delivering services
Supported and engaged communities	Governance	Councillors fees and expenses, elections, meetings and Association fees
	Public Order and Safety	Fire protection, SES
	Health	Food control, Domestic animal control
	Community Amenities	Public toilets, Cemeteries
	Community Services & Education	Social Planning
Diverse and resilient business	Water Supplies	Town Water
	Recreation and Culture	Libraries, Recreation Reserves, Swimming Pools, Public Halls and Parks
	Economic Affairs	Caravan Park, Sale yard, Tourism and Economic Development



In the past year, 58 Council actions have been fully completed with six actions noted as on target, three actions noted as not on target and a further nine actions deferred. Of the nine actions noted by Council Officers as 'deferred' this is due to the Council's focus on the delivery of grant funded projects.

### A Snapshot of our Performance

Complete	On Target	Not on Target	Past Due	No Status / Deferred	Total Actions
					
58	6	3		9	75





## Sustainable natural and built landscapes

Development decisions made today about how we move around and between our communities and use our natural resources – the river, wildlife, forests, agricultural and urban land, and water shape the future of our communities.

Council's Delivery Program and strategic objectives are:

- 1.1 Support sustainable use of our natural resources and built landscapes
- 1.2 Retain the diversity and preserve the health of our natural landscapes and wildlife
- 1.3 Connect and protect our communities

### Performance Reporting and Review

This report includes the following:

- Snapshot of Council programs and activities that, in the past 12-months, have contributed to the Council's [Delivery Program](#) and Strategic objectives.
- Traffic light review of Operational Plan 20/21 Sustainable Natural and Built Landscapes actions; and
- An overview of Council's performance against Sustainable Natural and Built Landscapes [Delivery Program](#) key performance indicators and [Financial Strategy 2020](#) key performance indicators.



# Highlights

## LEP Review

The Review of the Council's Local Environment Plan (LEP) commenced this year. When completed, the LEP will help local developers and landowners plan projects that will add to the Shire's overall economic and social well-being. The Council has engaged Albury-based Habitat Planning to prepare our new LEP. In addition, a Project Steering Committee of Council and community representatives are informing this review. Thank you to the community members who Expressed their Interest and are participating in this review.

## Coree Street Upgrades

Funded by Drought Recovery Funding NSW and the Berrigan Shire Council, this \$1.3 million project was completed this financial year. A significant redevelopment of Coree Street, Finley above and below ground works included the reconstruction of the raw water mains, stormwater and drainage system, a new footpath, the installation of kerb and gutter on both sides of Coree Street in addition to the median strip. Landscape works involved replanting trees and shrubs.





## Highlights

### [KE1] Finley Railway Park



Continued this year has been the implementation of Finley's Railway Park Masterplan designed to complement the release and development of Lewis Crescent residential subdivision.

Landscape works and installation of cultural and recreational infrastructure including BBQs, shelters, seating, soundshell and footpaths have been completed in the past 12-months.








## Sustainable Natural and Built Landscapes




### 1.1 Support sustainable use of our natural resources and built landscapes

#### Delivery Program Actions




- 1.1.1 Coordinate strategic land-use planning
- 1.1.2 Coordinate and develop Community Participation Plans in accordance with relevant legislation and the Council's Community Engagement Framework
- 1.1.3 Enhance the visual amenity, heritage and liveability of our communities

OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
1.1.1.2	Increase community awareness regarding development application process	Director Strategic Planning and Development	Improved satisfaction rating - Resident and Business Satisfaction Survey	50%		Continuing, Council staff increasing public awareness's of the use of NSW planning portal with more face- to- face conversations and consultation meetings with council developers.
1.1.1.3	Process and approve / refuse development applications in accordance with relevant legislation, codes and policies	Director Strategic Planning and Development		100%		As per legislation requirements. All approvals are now lodged, reviewed and determined by the NSW Planning Portal.
1.1.1.4	Commence review of Local Environment Plan	Director Strategic Planning and Development	by June 2021	25%		EOI and Reference Group recruited. The initial target set for completion of the LEP (June 2022) has due to staff shortages, restructure was too ambitious. This project now that it has commenced is on track.
1.1.2.1	Implement the Council's Community Engagement and Community Participation Plan	Director Strategic Planning and Development	Report prepared	100%		Developments lodged at Council engaged with the community as per the participation plan.
1.1.3.1	Continue Annual Heritage Grants Program	Director Strategic Planning and Development	100% projects/works funded are completed	0%		deferred to February 2023 year as grant funding then available.



OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
			The allocation of grants results in increased conservation of heritage items			
1.1.3.2	Continue rolling program of works - town entrances	Director Infrastructure	Scheduled Program of Works - town entrances included in Annual Capital Works Program is completed on time and within resources	100%		Annual works is done and working towards the Delivery Plan.
1.1.3.3	Implement the Tocumwal Foreshore Master Plan	Director Infrastructure	Project complete in accordance with agreed milestones and project management plans	100%		The Building works is complete. The amphitheatre and the fishing deck is now scheduled.
1.1.3.4	Implement as funds become available the WAAAF Creek Walk Master Plan	Deputy Chief Executive Officer	Signage installed Increased by pedestrians and cyclists Revegetation project funded	100%		Applications for funding made in the July and September rounds of the Office of Responsible Gambling Club Grants Category 3 Infrastructure Grants program. Both applications were unsuccessful. Working with Tocumwal Rotary on a review of the WAAAF Creek Walk MOU







OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
1.1.3.5	Implement the Finley Railway Park Master Plan	Director Infrastructure	Projects completed by 2024  Pedestrian access  Amenities included in the precinct assessed by users as accessible	100%		The project is on-track for delivery by 2024.
1.1.3.6	Develop a precinct structure plan incorporating parking requirements for Murray/Denison Street, Tocumwal	Director Strategic Planning and Development		10%		Works underway to develop a carpark concept plan.
1.1.3.7	Investigate the development of an active transport strategy	Director Infrastructure	Annual online Poll of pedestrian and cycle use  Strategy adopted by Council	0%		Deferred no capacity to complete this financial year





## 1.2 Retain the diversity and preserve the health of our natural landscapes and wildlife

### Delivery Program Actions

1.2.1 Partner with community groups and agencies on projects that retain and preserve the health of our natural landscapes and wildlife

OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
1.2.1.1	Deliver weed control services	Director Strategic Planning and Development	Weed infestation within the Shire is eradicated and / or manageable	100%		Weed Action Plan and report completed. The focus goal 'Exclude: prevent the establishment of new invasive species' requires that high risk sites are mapped and actions undertaken to control. Private works have been the focus of the final quarter - funded by private works has been an additional resource which has ensured that sufficient resources are on the ground now to undertake Weed Control in Council's open space while meeting Regional Weed Action Plan requirements. Staff also had the opportunity this quarter to attend training
1.2.1.2	Participation in roadside vegetation enhancement projects	Director Strategic Planning and Development	Quarterly survey of sites	0%		Looking to re start program in the 6 months with some additional resource's being made available.
1.2.1.3	Undertake tree assessments and establish a tree register	Enterprise Risk Manager	Trees are assessed and Assetfinda report closed	20%		Nil budget allocation to establish a comprehensive tree register. Trees are assessed in response to complaints, incidents and review due to budget constraints. Works are conducted when issues identified as a matter of urgency.
1.2.1.4	Develop an Urban Tree Strategy	Director Infrastructure		0%		Deferred no capacity to complete this financial year



OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
1.2.1.5	Monitor and undertake as required the control and management of pests	Director Strategic Planning and Development		100%		This quarter has seen the bedding down of the new structure for bio-security and compliance. Staff have attended training to improve their knowledge of bio-security, management of pests, and the environment. A significant corella kill at Tocumwal was also investigated with Council staff liaising with Victorian and NSW counterparts. Testing suggests that mousebaits may have contributed to the kill. Social media posts and collateral supplied re safe use of baits to protect wildlife.
1.2.1.6	Undertake a review of the plans of management for Crown Lands controlled by Council or Council Committees of Management	Deputy Chief Executive Officer	June 2022	50%		A revised set of requirements for plans of management have been issued which should streamline the process.






### 1.3 Connect and protect our communities




#### Delivery Program Actions

1.3.1 Coordinate flood levee, Council road network and storm water asset management and planning




1.3.2 Manage landfill, recycling and waste disposal

OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
1.1.3.1	Continue Annual Heritage Grants Program	Director Strategic Planning and Development	100% projects/works funded are completed  The allocation of grants results in increased conservation of heritage items	0%		Deferred to February 2023 year as grant funding then available.
1.1.3.2	Continue rolling program of works - town entrances	Director Infrastructure	Scheduled Program of Works - town entrances included in Annual Capital Works Program is completed on time and within resources	100%		Annual works is done and working towards the Delivery Plan.
1.1.3.3	Implement the Tocomwal Foreshore Master Plan	Director Infrastructure	Project complete in accordance with agreed milestones and project management plans	100%		The Building works is complete. The amphitheatre and the fishing deck is now scheduled.








OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
1.1.3.4	Implement as funds become available the WAAAF Creek Walk Master Plan	Deputy Chief Executive Officer	Signage installed  Increased by pedestrians and cyclists  Revegetation project funded	100%		Applications for funding made in the July and September rounds of the Office of Responsible Gambling ClubGrants Category 3 Infrastructure Grants program. Both applications were unsuccessful. Working with Tocumwal Rotary on a review of the WAAAF Creek Walk MOU
1.1.3.5	Implement the Finley Railway Park Master Plan	Director Infrastructure	Projects completed by 2024  Pedestrian access  Amenities included in the precinct assessed by users as accessible	100%		The project is on-track for delivery by 2024.
1.1.3.6	Develop a precinct structure plan incorporating parking requirements for Murray/Denison Street, Tocumwal	Director Strategic Planning and Development		100%		Works underway to develop a carpark concept plan.



OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
1.1.3.7	Investigate the development of an active transport strategy	Director Infrastructure	Annual online Poll of pedestrian and cycle use  Strategy adopted by Council	0%		Deferred no capacity to complete this financial year
1.3.2.1	Implement the Berrigan Shire Council Waste Plan	Environmental Engineer	100% of Diversion targets set out in Berrigan Waste Management Plan are met	100%		Issues identified and action plan drafted to manage waste stream. The same will be presented to Council at Sep SPW.
1.3.2.2	Deliver township garbage collection and street cleaning services	Environmental Engineer	Garbage is collected within agreed timeframes and budgets	100%		The activity is on-going as per the schedule.

## Sustainable natural and built landscapes

### Operational report 2021/22

Completed	On Target	Not on Target	Past Due	Deferred / Not Due	Total
					
15	1	3	-	6	24



**Delivery Program Monitoring Measures:****Sustainable Natural and Built Landscapes:****Activity Data Development Applications and Construction Certificates**

	<b>July 21 – June 2022</b>	<b>Value \$</b>
Development Applications (DA)	182	33,513,697
Construction Certificates (CC)	137	24,442,748
Complying Development Certificates (CDC)	52	5,394,986
Local Activity (s.68)	94	-

**Monitoring Measure: Waste****Indicator: Activity Data Domestic Roadside Waste Collection**

Below is the curbside waste volume collected data from FY18-19 to FY 21-22, all the volume is in tonnes.

<b>FY</b>	<b>Total</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>
<b>18-19</b>	<b>650</b>	50	60	50	60	50	50	60	50	60	50	50	60
<b>19-20</b>	<b>1628.6</b>	142.97	147.45	123.49	156.11	88.29	153.14	125.8	119.19	157.58	130.19	128.15	156.24
<b>20-21</b>	<b>1701.32</b>	129.1	127.03	161.6	132.13	133.2	166.43	130.89	133.58	164.98	132.75	129.12	160.51
<b>21-22</b>	<b>1745.78</b>	127.46	163.98	132.77	134.96	172.91	142.41	144.5	137.09	159.94	132.41	165.93	131.42





# Good Government

Good government is about making good decisions over time. These decisions involve managing our financial, economic, and environmental risks and the social implications of decisions made.

Council's Good Government [Delivery Program](#) and strategic objectives are:

2.1 [Berrigan Shire 2032](#) objectives and strategic actions facilitate the effective governance by Council of Council operations

2.2 Strengthen strategic relationships and partnerships with community, business and government

## **Performance Reporting and Review**

Included in this report is a

- Snapshot of Council programs and activities that, in the past 12-months, have contributed to the Council's [Delivery Program](#) and Strategic objectives.
- Traffic light review of Operational Plan 2021/22 Good Government actions; and
- An overview of Council's performance against Good Government [Delivery Program](#) key performance indicators and [Financial Strategy 2020](#) key performance indicators.



# Highlights

## Financial Fast Facts

Overall performance	
Operating surplus	\$2.1m
Operating surplus / deficit before capital grants and contributions	(\$1.6 m)
Revenue and expenses	
Total revenue	\$27.3m
Total expenses	\$25.2m
Cash and investments	
Investments, Cash and Cash equivalents	\$43.4m
Balance Sheet	
Total assets	\$403.1m
Total liabilities	\$10.7m
Total equity	\$392.4m

## Financial Performance

### Performance measures

	Benchmark	2021/22	Performance
Operating Performance Ratio	Greater than 0%	-2.00%	
Own Source Operating Revenue Ratio	Greater than 60%	53.26%	
Unrestricted Current Ratio	Greater than 1.50:1	3.94:1	✓
Debt Service Cover Ratio	Greater than 2.00:1	10.15:1	✓
Rates Outstanding Percentage	Less than 10.00%	4.13%	✓
Cash Expense Cover Ratio	Greater than 3.00 months	11.29 months	✓



## Highlights

### Careers in Local Government



Each year the Council hosts in conjunction with Finley High School the Finley Youth Futures Expo with past Expo's showcasing careers in emergency services, the arts, agriculture and health. This year with the help of Council's Corporate Services team year 10, 11 and 12 students learnt a bit more about local government in addition to local traineeships and apprenticeships. The day consisted of 130 + students participating in sessions run by business operators and Council staff learning things from transitioning from school to work life, particular skills from different industries, the employment process including interviews to securing traineeships and apprenticeships locally. We thank all businesses, students and staff who participated in the day to make it a great success.

## Strategic Partnership – MOU

The Berrigan Shire Council signed a cross-border memorandum of understanding (MOU) designed to help our border communities and our broader region improve infrastructure and social and economic development outcomes. A partnership with the Moira Federation and Indigo Councils, the MOU will ensure that our communities have a collective voice. A collective voice on regional and nationally significant issues.



Further, the MOU provides a framework for Councils to align services and share information while working to ensure that community infrastructure, local transport and regional economic development projects benefit local communities and the wider region.



## Good Government


### 2.1 Berrigan Shire 2032 objectives and strategic actions facilitate effective governance by Council of Council operations and reporting

#### Delivery Program





2.1.1 Council operations, partnerships and coordination of resources contribute toward the implementation of Berrigan Shire 2032

2.1.2 Meet legislative requirements for Council elections, local government and integrated planning and reporting




2.1.3 Council operations and financial management support ethical, transparent and accountable corporate governance

OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
2.1.1.1	Promote and support the engagement of Shire residents, local business and agencies in the development, implementation of Berrigan Shire 2032	Director Strategic Planning and Development	Minimum of 5 surveys or polls conducted per annum  No decrease in organic reach of social media posts  2 per annum	100%		Online poll conducted with Tocumwal residents - future of town beach. This poll was well supported by Tocumwal residents with copies of the survey available also at Tocumwal Library. Results were shared with the community via direct link to the polling software.





OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
2.1.2.1	Provide facilities and support including financial to the elected Council	Chief Executive Officer	Self-reported increase in Council skills and knowledge  Publication of audio Files	100%		Induction completed and Professional Development Plans in place
2.1.2.2	Implement and further develop the Berrigan Shire Integrated Management System	Enterprise Risk Manager	Quarterly Report  Actions included in Delivery Program Review  Inspections undertaken in accordance with IMS requirements	70%		The development of the Integrated Management System is ongoing as opportunities for improvement arise, and reviews are conducted.
2.1.2.3	Strengthen revenue base and increase discretionary spending	Finance Manager	Meet and exceed Financial Strategy Benchmarks  Sustainability Improvement Plan developed	75%		Work on increasing our revenue base will be a continuing project for the Finance Team. Increases in return on investment from our investment portfolio will see slight increases here.
2.1.2.4	Develop Community Engagement Strategy and conduct review of Berrigan Shire (CSP) and associated integrated plans	Director Strategic Planning and Development		100%		Council endorsed community engagement strategy and subsequently reviewed CSP





OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
2.1.3.1	Coordinate Council investments, financial management, financial operations and processing	Finance Manager	Per Financial Strategy projects funded using debt have detailed Business Case and Cost Benefit Analysis	100%		Councils' investment portfolio is beginning to improve with increases in current interest rate offerings being much better than anticipated. Constant interest rate increases will continue to see interest rate offerings on Term Deposits increase and Councils return on investment will continue to improve. A full review into Council's investment appetite will begin in September.
2.1.3.2	Monitor and respond to change in the Financial Governance, Regulatory and Reporting Frameworks	Deputy Chief Executive Officer	All Council governance and audit requirement  80% of staff that attend training report increased skills and knowledge	100%		Compliance with new Social media and Councillor/Staff interaction guidelines implemented. Statutory returns for GIPA and PID Act compliance completed and returned.
2.1.3.3	Deliver responsive customer service	Finance Manager		100%		The Customer Service Team has gone through a name change and are now referred to as the Customer Experience Team. This highlights the fact that they are






OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
						responsible for the overall experience a customer has when coming into contact with the Council. The team has also finalised its Customer Experience charter and began implementing this into everyday practices.
2.1.3.4	Conduct service review and develop the Corporate Services Strategic Plan	Deputy Chief Executive Officer		75%		Structure in place and positions filled. Annual plan identified. Priorities for service review identified
2.1.3.5	Manage human resource and workforce development activities through the implementation of the Berrigan Shire's Workforce Development Plan 2017 - 2022	HR Coordinator	Increase compared to 2016 result in the % of staff reporting greater recognition  Material value of volunteer effort identified  Implemented 100%  Annual Report on Actions	100%		New position of Human Resources Coordinator developed. HR Scan developed. Initial Pulse survey completed



OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
2.1.3.6	Provide Information technology and associated support for Council operations	Deputy Chief Executive Officer		100%		Staffing vacancies filled and some progress made on addressing the administration office internet connection and rollout of new equipment.  A new Digital Transformation document under preparation
2.1.3.7	Coordinate the delivery and management of Shire records and communications	Deputy Chief Executive Officer	Conduct survey to establish benchmarks	100%		The digitisation of the property files is underway and expected to be complete in August 2022. Development of a Records Management Policy is almost complete with a policy to be considered by the Council at its August meeting






OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
2.1.3.8	Maintain and sustainably redevelop existing infrastructure and community assets	Deputy Chief Executive Officer	<p>Budget allocated to fund energy projects</p> <p>100% grants acquitted per funders requirements</p> <p>Adopted by Council</p>	100%		<p>Masterplan for Barooga Recreation Reserve almost complete. Construction of new netball courts at Finley Recreation Reserve complete. Replacement of toilet block at Berrigan Sportsground complete. Funding identified for Barooga netball courts. Consultant for masterplan for Finley Lake appointed. Masterplan for Mary Lawson complete.</p>
2.1.3.9	Coordinate and manage maintenance and renewal of Council plant and equipment	Director Infrastructure	<p>Projects identified and updated by 30 March</p> <p>Adopted by Council 30 June 2022</p>	100%		<p>This gets done as per the 10-year plant replacement program. Sometimes this is an issue due to long delivery times.</p>
2.1.3.10	Coordinate the ongoing review and development of Council and Operational Policies and procedures	Deputy Chief Executive Officer		100%		<p>The incoming Council has reviewed 27 policies and revoked a further 4 since its election. There are still another 68 policies to be reviewed by January 2023.</p>



## 2.2 Strengthen strategic relationships and partnerships with community, business and government

### Delivery Program Action






2.2.1 Participate in networks that promote regional and cross-border collaboration, planning and service delivery

OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
2.2.1.1	Develop resources and establish partnerships that improve local assessment of social and economic implications of regional and inter-governmental decision-making on Shire residents, business and Council operations	Director Strategic Planning and Development	Quarterly report to council of meetings attended and actions	100%		A relatively quiet quarter for local networking - community services. Significant strategic work undertaken key worker housing with the Deputy CEO and CEO considering options with Murrumbidgee Local Health District on options for key working housing - local government and health
2.2.1.2	Actively lobby all levels of government and industry re: Murray Darling Basin Plan	Chief Executive Officer		100%		Advocacy through RAMJO has been the primary focus
2.2.1.3	Actively lobby all levels of government and energy industry for investment in upgrading local energy (power) infrastructure	Chief Executive Officer	Adopted by Council	100%		More significant works undertaken including working with MLHD regarding housing outcomes. RFS Assets remains concerning and will remain a requirement for close focus into the future.



## Good government

### Operational Plan 2021/22 report

Completed	On target	Not on target	Past Due	Deferred / Not due to start	Total
					
15	3	-	-		18

#### Delivery Program Monitoring Measures: Good Government

Organisational Capacity	1 July 2019 To 30 June 2020	1 July 2020 To 30 June 2021	1 July 2021 To 30 June 2022
Staff Turnover exc. Casuals	10.2%	14.4%	23.4%
Length of time unfilled	Average 3 weeks	Average 18 weeks	Average 13 weeks
Skilled vacancies	8	10	27
Managerial vacancies	1	4	5



**Monitoring Measure: Financial Strategy 2020 Key Performance Indicators**

1. Operating Performance	Amount ,000 2021/22	Performance 2021/22	Financial Strategy Target
Operating Revenue (excl. Capital) - Operating Expenses	(472)	(2.00%)	>0.0 %
Operating Revenue (excl. Capital Grants & Contributions)	23,641		
Indicative Target: An operating performance ratio greater than 0% across any five-year period.			

2. Unrestricted Current Ratio	Amount ,000 2021/22	Performance 2021/22	Financial Strategy Target
Current Assets less all External Restrictions	14,859	3.94x	>1.5x
Current Liabilities less Specific Purpose Liabilities	3.770		
Indicative Target: An Unrestricted Current Ratio of at least 2x			

3. Rates and Annual Charges Outstanding	Amount ,000 2021/2022	Performance 2021/22	Financial Strategy Target
Rates and Annual charges Outstanding	485	4.13%	< 10.00%
Rates and Annual charges Collectible	11,753		
Indicative Target: Outstanding rates, annual and extra charges percentage to remain under 8% as of 30 June each year			

4. Building and Infrastructure Renewals Ratio	Amount ,000 2021/22	Performance 2021/22	Financial Strategy Target
Asset Renewals (Building, Infrastructure & Other Structures)	6,468	108.52%	100% +
Depreciation, Amortisation & Impairment	5,960		
<b>Indicative Target:</b> Building, Infrastructure & other Structure renewals Ratio to remain over 100% on average over the life of the LTFP. When setting this target the council should consider that asset replacement is lumpy - with large changes in asset renewals depending on the needs of the time. This measure is best considered for a 10-year period and preferably longer.			



5. Infrastructure Backlog Ratio	Amount ,000 2021/22	Performance 2021/22	Financial Strategy Target
Estimated cost to bring Assets to a satisfactory condition	-		
Total value of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	334,721	0.00%	<2.00%
<b>Indicative Target:</b> Infrastructure Backlog Ratio to remain at less than 2% at all times			

6. Capital Expenditure Ratio	Amount ,000 2021/22	Performance 2021/22	Financial Strategy Target
Annual Capital Expenditure	\$9,021	1.21	1.0
Annual Depreciation	\$7,423		

7. Debt Service Cover Ratio	Amount ,000 2021/22	Performance 2021/22	Financial Strategy Target
Operating Result before Interest & Dep. exp (EBITDA)	6,996	10.15x	> 2 x
Principal Repayments + Borrowing Interest Costs	689		

8. Cash Expense Cover Ratio	Amount ,000 2021/22	Performance 2021/22	Financial Strategy Target
Current Year's Cash & Cash Equivalents (incl.Term Deposits)	43,468	11.29 months	3 months
Operating & financing activities Cash Flow payments	3,852		
Indicative Target: Cash expense cover ratio is to be no less than 3 months			





# Supported and engaged communities

Safe, healthy, accessible and inclusive communities are child and older person friendly.

Lifelong learning, cultural expression, services for older residents and recreational activities provide opportunities for people with a diverse range of interests to become involved and engaged in their local communities

Council's Supported and engaged communities [Delivery Program](#) strategic objectives are:

3.1 Create safe, friendly and accessible communities

3.2 Support community engagement through life-long learning, culture and recreation

Our traffic light review of [Operational Plan 2021/22](#) actions describes whether Council in the past 12-months has done what it said it would do and if not; Officers comments provide guidance on why not?

Council Officers have also commented on significant achievements or projects commenced in the past 12-months.



# Highlights

## International Womens Day

'Gender equality today for a sustainable tomorrow' - each year, our library service hosts a literary luncheon to celebrate International Women's Day. This year's event did not disappoint, with two guest authors invited to speak. Unfortunately, floods prevented one of our speakers from attending. Undaunted, our new CEO stepped up. A rebel at heart, she told of trying most things society did not expect a woman to do, like riding and racing big powerful motorbikes. Gerdette Rooney, the author of 'Womadic Wanders', gave us a fantastic account of her incredible travel stories. The audience was captivated by both women and their experiences.



## Food Share



Moira FoodShare and its volunteers support families, pensioners and individuals who live in the Berrigan Shire. This year Moira FoodShare with support from Council, the Finley Showgrounds Committee and local service clubs, have opened a local distribution point. Although we live in Australia's food bowl, food insecurity affects many people who are on low wages or income support, who find it challenging and cannot afford the rising costs of rent, power, fuel, and the cost of day-to-day essentials. We know our communities are generous, yet we think often think someone else needs the support. If you or someone you know needs food or would like to help or donate, please get in touch with Moira Health Alliance: Moira Food Share.



## Highlights

### CWA Park Transformed

The council secured funding through the NSW Department of Industry, Planning and Environment under the 2021 Everyone Can Play Grant. This grant is designed to transform play spaces so that children of all abilities and their families can play. The CWA Play space Upgrade Project replaced the existing early childhood play equipment with theme-based inclusive play items that complemented the adjacent library. The play space is designed for all-ability use with static items, sensory items, easy trafficable surfacing, and equipment accommodating all users. In addition, the area needed to be easily accessible, colourful, welcoming and comfortable for children and parents while still allowing access to the library and its amenities.



### Tocumwal WAAF Creek Walk



Berrigan Shire Council (BSC), alongside Tocumwal Rotary and Tocumwal Farmers Market completed construction of the WAAF Creek Walk in 2021. The walk honours and celebrates the Women's Australian Air Force Auxiliary Force (WAAAF) commemorates the war-time presence of the Royal Australina Airforce in Tocumwal. The WAAAF's were essential to the running of the Tocumwal aerodrome.

The sculpture, artwork and interpretive signage were designed by Sivonne Binks and constructed by VisAttak – Deniliquin. The project was funded by the NSW government through the Create NSW Art and Cultural Funding Program.



## Supported and engaged communities

### 3.1 Create safe, friendly and accessible communities


#### Delivery Program Actions

3.1.1 Build communities that are home to more families and young people




3.1.2 Facilitate all age healthy lifestyles and ageing in place

3.1.3 Strengthen the inclusiveness and accessibility of our community





3.1.4 Coordinate and facilitate the delivery of potable water, public health and safety services

OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
3.1.1.1	Support and promote the healthy development and wellbeing of children and young people	Director Strategic Planning and Development	<p>Reports to Council provide feedback on participant survey results Kids Fest Youth Week</p> <p>Annual Report to council re: Volunteer Hours / Management facilities: Pools</p>	100%		<p>Youth Week was celebrated this year with the Council partnering with Intereach's ROAR program. The Council's library service has also partnered with Amaroo and Finley High School on an Oral History Project. Food insecurity is being addressed in our community with the Finley Showgrounds Committee, Finley Rotary and Council establishing for the first time a local distribution point for Moira Food Share. Additional support is also being provided to Tocumwal PreSchool Committee re: project management of the construction of new Long Day Care Centre Tocumwal together with in-kind Council support and funding for carparking and access to the Centre.</p>







OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
3.1.1.2	Implement Children and Families Strategy 2019 - 2023	Director Strategic Planning and Development	Delivered on time and on budget  One new project or partnership initiated per annum	100%		Youth Week project undertaken and reported to Dept. This project focused on arts / culture with young people attending a workshop on comedic performance skills. Library staff conducted school holiday programs for younger children with participation in National Simultaneous Story Time 25 May 2022 a continuation of Library program's popular story time. Project managed by Council also has been the construction of the Tocumwal Early Learning Centre a key Children and Families Strategy action
3.1.2.2	Provide recreation facilities which support active lifestyle and ageing in place	Deputy Chief Executive Officer		100%		Masterplan for Barooga Recreation Reserve almost complete. Recreation Officer in place
3.1.2.1	Provide recreation facilities which support an active lifestyle and ageing in place	Director Strategic Planning and Development	Master Plan for each reserve by June 2022	100%		Barooga Recreation Reserve Master plan has been finalised this quarter with user groups. Also in the final stages of development is the Mary Lawson Reserve Master Plan. Published this quarter also were the results of survey of Tocumwal residents and business about the future of Town Beach - Tocumwal.



OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
3.1.3.1	Review the Active Ageing and Disability Inclusion Plan	Director Strategic Planning and Development	<p>Participants/ Survey Respondents report high levels of satisfaction with the activity</p> <p>Participant numbers are maintained and or increased</p> <p>Based on participant surveys</p> <p>Seniors Week Youth Week •International Womens' Day •Mens' Health Week &amp; Childrens' Week</p>	100%		The Council's Disability Inclusion Plan was reviewed and adopted by the Council this quarter. No substantive changes were noted with limited engagement by carers and the broader community. The Council also completed this quarter the redevelopment of CWA Park using Everyone can Play Grant funding: the LGAs first fully inclusive and accessible play space.
3.1.4.1	Develop an Integrated Water Cycle Management Strategy	Environmental Engineer	Strategy will guide and inform the management of the Council's Water Business	0%		Deferred due to change in regulation
3.1.4.2	Ensure potable water and sewer network is safe and functional	Environmental Engineer		100%		The activity is on-going and as per the Guidelines.
3.1.4.3	Monitor, control and report upon environmental	Director Strategic Planning and Development	Quarterly report - Operational	80%		Continuing, ongoing inspections of properties and land in the community



OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
	contaminants and public health hazards - water, fire, refuse, buildings and air		Plan comments			with the current resource's available.
3.1.4.4	Coordinate and facilitate local emergency management committee	Operations Manager	Adopted by Local Emergency Management Committee	100%		The activity is on-going and as per schedule.
3.1.4.5	Implement the Berrigan Shire Adverse Events Plan	Deputy Chief Executive Officer		100%		Progressing
3.1.4.6	Develop and maintain local cemeteries and associated infrastructure	Deputy Chief Executive Officer	Annual Report	100%		Progressing. Cemeteries identified as a priority for a service review
3.1.4.7	Control and promote responsible ownership of companion animals	Director Strategic Planning and Development		100%		Companion animals reporting undertaken. Successful rehoming of animals via Council social media





### 3.2 Support community engagement through life-long learning, culture, and recreation




#### Delivery Program Actions

3.2.1: Provide opportunities for life-long learning, cultural expression, and recreation






3.2.2: Facilitate and partner with local communities in the development of township plans

OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
3.2.1.1	Coordinate and deliver local library services in accordance with Library Services Strategic Plan	Library Manager	Borrowings decline by less than 5%	100%		<p>Covid-19 had a major impact on Library Loans and Door Counts. Loans decreased approximately 30% due to more patrons staying home. Minimum home deliveries were done due to the fact that libraries were permitted to open but with a limit capacity, thus patrons could visit if they wished. Many utilised the diverse library eResources of BorrowBox and IndyReads.</p> <p>Visitors increased, as more computer illiterate patrons requested 2160 Border Passes and tech help. Staff were inundated with 2421 requests for the creation of MyGov accounts after vaccination proof had to be provided by all, which was their 'passport' to restaurants, supermarkets, businesses etc.</p> <p>The Library Service underwent a huge transformation to assist all our patrons to become part of the digital inclusion necessary and expected to manage day-to-day procedures during the Covid-19 pandemic.</p>
3.2.1.2	Strengthen community	Director Strategic		100%		Libraries have continued to run programs story time,



OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
	engagement and participation in Council activities	Planning and Development				knitters and knatters, mahjong clubs in addition to school holiday activities. The newly created Recreation Officer role has also actively engaged our committees and worked closely with South West Arts on a youth focused initiative in Finley.
3.2.1.3	Financially contribute to and support South West Arts programs and activities	Deputy Chief Executive Officer	Three cultural activities implemented in partnership with South West Arts per year	100%		2021/22 financial contribution made. Partnership with SWA to offer DJ and Podcasting programs with NSW Government funding was successful.
3.2.1.4	Develop a public arts strategy	Director Strategic Planning and Development	Public Arts Strategy Adopted by Council	0%		Not progressed - no dedicated resources in Op Plan and no opportunity to progress in addition to competing priorities
3.2.2.1	Coordinate and align community projects and activities with township masterplans	Director Strategic Planning and Development	75%	100%		Mary Lawson Master Plan completed. Extensive community engagement about the future of Tocumwal's Towns Beach was undertaken via survey of Tocumwal residents (600+) valid responses. Highlighted was the community preference that the area continue as a camp site with a balance to be sought between economic benefits, beach access for locals and day visitors

## Operational Plan 2021/22 report

Completed	On target	Not on target	Past Due	Deferred / Not due to start	Total
					
14	1	-	-	2	17



## Delivery Program Monitoring Measures: Supported and engaged community

**Indicator:** Community Events and Engagement

Activities	July 2021 to June 2022
Community events held in partnership with other services	The Council continues to support events in the region with a focus on high-yield events that bring overnight visitation to the region. Although many events were cancelled due to pandemic restrictions the inaugural TPS Murray River was a great success for the Cobram Barooga Golf Club, putting a spotlight on the quality of golf that is available in the region and securing on-going golf package bookings. Strawberry Fields also managed to hold a revised event over two weekends.
Community Engagement activities	

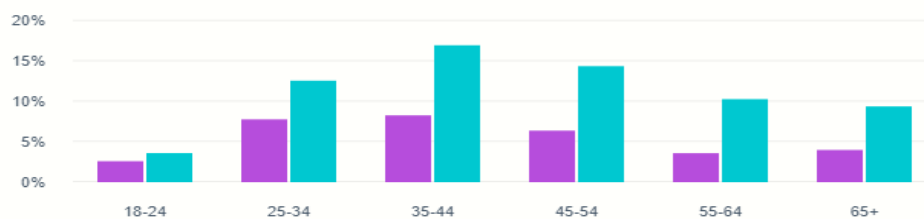
**Indicator:** Social Media Analytics: Social Media Engagement

Activities	July 2021 to June 2022
Facebook - Reach	194,751
Instagram - Reach	7,163
Facebook – Page Visits	36,537
Instagram – Profile Visits	580
Facebook Follower	5,547

### Face Book Analytics

#### Age and Gender

Men 32.70%  
Women 67.30%

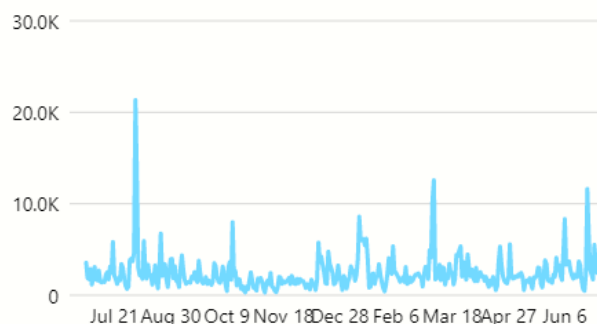




## Reach

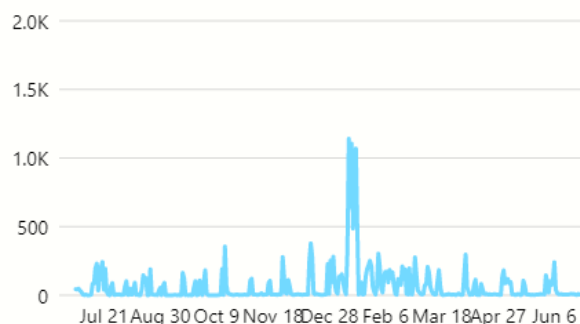
Facebook Page reach ⓘ

194,751 ↑ 106.9%



Instagram reach ⓘ

7,163 ↑ 350.2%



## Indicators Life-long Learning July 2021 – June 2022

Library events number of participants	4339
Door Count	22149
Library loans	19831
Users (Members)	3506
WIFI (Login / Devices)	Logins: 3880 Devices: 1529
Loans (e-audio and e-books) + e magazines	e-resources: 5488 e-mags: 241 Members: 461









## Diverse and resilient business

Our lifestyle, climate, existing facilities and proximity to Melbourne present a range of agricultural, tourism, retail and health industry opportunities.

Council's [Delivery Program](#) diverse and resilient business strategic objectives include:

- 4.1 Strengthen and diversify the local economy through investment in local jobs creation, and innovation
- 4.2 Diversify and promote local tourism
- 4.3 Connect local, regional and national road, rail and aviation infrastructure

Our traffic light review of [Operational Plan 2021/22](#) actions describes whether Council in the past 12 months has done what it said it would do and if not Officer comments provide guidance on why not?



## Highlights

### Tourism Strategy Review

In late 2021 Council decided to review the 2019 - 2023 Tourism Strategy in light of the devastation of the local industry during the COVID-19 border lockdowns and enforced business closures.

The review was conducted over several months which included Council elections and Christmas holidays was adopted by the new Council. To better reflect current terminology and in recognition of the

industry's importance to the region, the new strategy is known as The Berrigan Shire Council Strategy for the Visitor Economy 2022 – 2026. The Council would like to thank all those who contributed to the industry engagement that informed the development of the strategy.



### Tocumwal Business Breakfast



March is NSW Small Business Month. The Berrigan Shire Council, Finley Chamber of Commerce, and Berrigan and District Development Association applied for and received NSW State Government funding to hold business-related events or training. Held was a breakfast workshop that examined 2022 Marketing trends for small businesses. Jenn Donovan from Rennie, a popular business presenter with a retail background familiar with the challenges of running a small business, was the presenter.

### Workforce Round Table

An Economic Development Workforce forum was held on Thursday 24<sup>th</sup> March at Finley RSC. The following issues were explored:

- Understand more about the current workforce issues being experienced across the shire
- Identify any ideas or opportunities to solve the problem
- Commence an action plan
- It was identified that employers in Berrigan Shire, across all industries, are struggling to fill multiple vacancies. These vacancies are both permanent and seasonal and exist from entry level to the highly skilled. Specifically, 34 permanent positions and 5 casual positions.
- Challenges were identified and suggestions discussed.



## Diverse and resilient business

### 4.1 Strengthen and diversify the local economy through investment in local jobs creation and innovation




#### Delivery Program actions

4.1.1 Partner with government and industry to promote strategic investment in the development of economic assets and infrastructure needed to create jobs




4.1.2 Support local enterprise through economic and industry development initiatives

OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
4.1.1.1	Implement Berrigan Shire Economic Development Plan 2017 - 2021	Manager Economic Development & Tourism		100%		The Berrigan Shire Strategy for the Visitor Economy was adopted in the last quarter.
4.1.1.2	Develop industry profiles informed by strategic analysis of local conditions and relative competitive advantages	Manager Economic Development & Tourism	Social and Health Services Profile published December 2019	0%		Not progressing



OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
4.1.1.3	Support collaborative planning, shared resourcing in local industry promotion of business and infrastructure development projects	Manager Economic Development & Tourism		100%		The Council facilitated a Workforce Roundtable in April bringing small to medium businesses together to discuss current staff shortages and to support possible solutions. Planning in this space is continuing.
4.1.1.4	Continue the development and marketing Tocumwal Aerodrome Industrial Precinct	Manager Economic Development & Tourism		100%		The has been no action in marketing the Tocumwal Aerodrome Industrial precinct as the Airpark blocks are fully sold. The opportunity for further development of an accommodation precinct in proximity to the Aviation Museum site is being evaluated by Urban Enterprise as part of the broader Murray Regional Tourism Accommodation Audit.
4.1.1.5	Investment in future economic development projects via strategic land purchases as and when these opportunities are identified or become available	Chief Executive Officer	Industry or Council acquire land and it is developed	100%		Land in Barooga is currently for sale however Council has decided to not seek to purchase the parcel and to allow the market to engage with the owners to develop the site in question.



OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
4.1.2.1	Promote the development of business support groups / networks within the Shire	Manager Economic Development & Tourism	Annual	100%		The Council hosted a Workforce Roundtable in early April bringing a vast array of businesses together to discuss possible actions around the lack of employees and skills. The session was facilitated by Jane Harris from lead Diversity
4.1.2.2	Convene regular meetings of industry support groups and business networks in the Shire	Manager Economic Development & Tourism		100%		The Business and Industry Facebook group has continued to provide industry information The Chamber Presidents Group has decided to review the meeting goals and procedures and this will be done at a workshop planned for August.
4.1.2.3	Upgrade Finley Saleyards	Deputy Chief Executive Officer		75%		Undergrounding of Hamilton St powerlines complete. New transport operator toilets complete. Sheep ramps manufactured however Essential Energy requirements have seen further delays. Survey for replacement of cattle pens to be undertaken.





## 4.2 Diversify and promote local tourism



## Delivery Program actions

4.2.1 Implement the [Berrigan Shire Tourism Strategy](#)

## 4.2.2 Partner with regional Tourism Boards

OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
4.2.1.1	Invest in infrastructure that will add value to and increase the competitiveness of the Shire's Visitor Economy e.g.: Redevelopment of the Foreshore Reserve	Manager Economic Development & Tourism	Increase Visits to Tocomwal Foreshore	100%		The Tocomwal Foreshore building is a much-anticipated piece of infrastructure that will contribute to the Visitor Economy. The commercial tenancies downstairs have been leased and commenced trading in April. The Council will open an accredited Visitor Centre in the 3rd shop and shop fit-out is close to completion. The upstairs tenancy has been let.
4.2.1.2	Partner with industry and other levels of government on securing investment needed for Ports of the Murray and Murray River Adventure Trail Projects	Manager Economic Development & Tourism	Report Annually All Eligible Programs	100%		There has been no action required in this area during this quarter.







OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
4.2.1.3	Provide support to event proponents and organisers	Manager Economic Development & Tourism		100%		The Council supported the PGA Associates Championship in May 2022. This was the final tournament in the 3 year agreement and once again saw a full field of young professionals playing on the Tocumwal courses.
4.2.1.4	Facilitate local industry review and update of digital content and marketing	Manager Economic Development & Tourism		100%		Local review of content on the ATDW is an ongoing process. Council content for the ATDW has been updated in the past quarter.



## 4.3 Connect local, regional, and national road, rail, and aviation infrastructure

## Delivery Program actions






## 4.3.1 Develop and promote Berrigan Shire regional transport and freight infrastructure

OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
4.3.1.1	Continue to advocate for the development of hardstand and serviced truck parking Tocumwal, Finley and Berrigan	Manager Economic Development & Tourism	The investment case is developed	100%		The Tocumwal Truck Stop project has progressed this year and will reach completion in 2023.
4.3.1.2	Lobby for upgrade of rail facilities, associated with Tocumwal rail line incl. line to Shepparton and Melbourne Ports	Manager Economic Development & Tourism	Funding is committed by Victorian and Commonwealth Governments	100%		There has been no action required in this area however the Council remains ready to contribute when/if required
4.3.1.3	Participate actively in efforts to upgrade Newell Highway and Midland Murray Valley highways particularly the Shepparton bypass.	Manager Economic Development & Tourism	Funding is committed by Victorian and Commonwealth Governments	100%		There has been no action required in this area in this quarter.
4.3.1.4	Operate the Tocumwal Aerodrome	Director Infrastructure	Annual Report Presented to Council on Aerodrome Operations Aerodrome maintains registration	100%		This is an on-going activity and there have been no major issues. There is a routine aerodrome users group meeting schedule to address/discuss any issue/s.



## Diverse and resilient business

### Actions Operational Plan 2021/22

Completed	On target	Not on target	Past Due	Deferred / Not due to start	Total
					
14	1	-	-	1	16

#### Delivery Program Monitoring Measures: Diverse and resilient business

Indicator	Activities
Tourism and events	The Tourism industry in Berrigan Shire faced incredibly difficult times in 2020 and 2021 with repeated business and border closures destroying visitor confidence. The Council decided that the existing Tourism Strategy, which still had two years to run, was no longer relevant to the business environment in which it was to be implemented. The Strategy for the Visitor Economy 2022 – 2026 is a reflection of industry-wide consultation and will see the Council partnering closely with local businesses to reinvigorate our 2 <sup>nd</sup> highest employing sector.



# Statutory Requirements

Council's Annual Report is one of the key points of its accountability between Council and its community.

It is not a report to Government but a report to the community.

And, while this Report focuses on the implementation by Council of its Delivery Program and Operational Plan 2021/22 the information in the following section includes information prescribed by the Local Government (General) Regulation 2021.

This information is included in the regulations that govern Local Government in New South Wales because the Government believes that it is important for communities to build their understanding of how Council is performing.



### Table 1: Summary: Government Information (Public Access) Act

Reviews carried out by Council	0
Information made publicly available	No
Total Number of applications received	4
Number of Applications Refused Wholly	0
Other Public Interest considerations against disclosure – Individual rights, judicial processes and natural justice	%
Number of Applications Refused Partly	0
Timeliness – Decided within the statutory timeframe (20 days plus extensions)	0%
Invalid Applications	1

**Reporting Requirement:** *Government Information (Public Access) Act 2009 s 125 (1) Government Information (Public Access) Regulation 2011, cl 4*

**Table 2 Government Information (Public Access) Act - Number of Applications by type of applicant and outcome**

[illegible]



**Table 3 Government Information (Public Access) Act - 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	Application withdrawn	Total	% of Total
Personal Information	0	0	0	0	0	0	0	0	0	0%
Access other than personal information)	3	0	0	0	0	0	0	0	3	100%
Access applications – partly personal partly other	0	0	0	0	0	0	0	0	0	0%
Total	3	0	0	0	0	0	0	0	3	

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 4 Government Information (Public Access) Act – Timeliness**

	Number of Applications	% of Total
Decided within the statutory time frame	3	100%
Decided after 35 days (by agreement with applicant)	0	0%
Not decided within the timeframe (deemed refusal)	0	0%
Total	3	

**Table 5 Public Interest & Disclosures Act 1994**

Number of public officials who made PIDs	0
Number of PIDs received	0
Of PIDs received, number primarily about:	0
Corrupt conduct	0
Maladministration	0
Serious and substantial waste	0
Government information contravention	0
Local government pecuniary interest contravention	0
Number of PIDs finalised	0

**Reporting Requirement:** *Public Interest Disclosures Act 1994, s 31 Public Interest Disclosures Regulation 2011, cl 4*



**Table 6: Mayor and Councillor Fees**

Mayor and Councillor Fees			
Councillor	Amount \$	Mayor \$	Car Hire (Deduction) \$
Matthew Hannan	\$11,326.63	\$24,716.66	\$3,360.00
Denis Glanville	\$2,026.66		
John Bruce	\$5,126.65		
Colin Jones	\$5,126.65		
Daryll Morris	\$5, 126.65		
Ross Bodey	\$5,126.65		
Julia Cornwell McKean	\$6,199.98		
Ted Hatty	\$6,199.98		
Renee Paine	\$6,199.98		
Carly Marriott	\$6,199.98		
Sarah McNaught	\$6,199.98		
John Taylor	\$11,326.63		
Roger Reynoldson	\$11,326.63		
Total	<b>\$87,513.05</b>	<b>\$24,716.66</b>	<b>\$3,360.00</b>

**Reporting Requirement** *Local Government (General) Regulation 2021 cl 217*

**Table 7: Senior Staff Remuneration**

Senior Staff Remuneration		2021 – 2022
Chief Executive Officer		\$243,056
General Manager		\$185,708

**Reporting Requirement** *Local Government (General) Regulation 2021 cl 217*



**Table 8: Councillor Facilities and Expenses**

<b>Councillor Facilities and Expenses</b>		<b>2021– 2022</b>
<b>FACILITIES</b>		
Office Equipment *		\$10,611.24
Telephone**		\$10,718.22
Meals & Refreshments at meetings convened by Council		\$13,093.12
Council Vehicles		\$7,235.20
<b>FACILITIES TOTAL</b>		<b>\$41,657.78</b>
<b>EXPENSES</b>		
Telephone - Calls		\$3,012.77
Conferences & Seminars		\$11,305.44
Training ^		\$17,160.89
Interstate Travel ***		\$0
Spouse/partner/accompanying person expenses		\$0
Carer or other related expenses		\$1,622.14
Legal expenses		\$0
Subscriptions		\$2,062.50
Insurance		\$2,853.25
Local Travel		\$7,047.82
Travel outside the LGA		\$3,020.50
Miscellaneous		\$2,959.66
<b>EXPENSES TOTAL</b>		<b>\$51,044.97</b>
<b>TOTAL FACILITIES AND EXPENSES</b>		<b>\$92,702.75</b>

**Reporting Requirement** *Local Government (General) Regulation 2021 cl 217(1) (a) (a1)*

\* At the beginning of the new council term all councillors received iPads

\*\* The contracts for Councilors mobile phones include a call allowance. No Councilor exceeds this allowance

^ Includes travel to training

\*\*\* Council's location on the Victorian border informs the Council's Policy on the provision of facilities and payment of expenses for Councilors. Hence it excludes trips to Victoria and the ACT from the definition of interstate.

**Reporting Requirement** *Local Government (General) Regulation 2021 cl 217(1)(b) – (c)*



## Disability Inclusion Action Plan 2022 – 2026: Progress Report

### Focus Area Activities – Actions Undertaken

#### **Building positive attitudes actions (2021/22)**

In the past 12-months the Council has acted on two key actions in its DIAP aimed at building positive attitudes and supporting inclusion. Commissioned by the Council has been a rebrand of its corporate communications. Included in the project brief is the requirement to ensure that images used reflect the diversity of our community members (including the disabled) and further that these images promote the strengths of disabled community members and their contribution. The Council continues to use its social media presence to advocate for and show case opportunities in our communities and the achievements of disabled residents including our Council's Mayor.

#### **Creating liveable communities' actions (2021/22)**

Two projects which added to the liveability of our communities are the redevelopment of our parks, recreation reserves and the Tocumwal Foreshore Reserve. Families can now enjoy the LGAs first fully accessible playground – built beside the Tocumwal Library funded from a NSW Everyone Can play grant this playground in the main street of Tocumwal is highly visible, inclusive and accessible for all ages and abilities. The second project is improving the accessibility and inclusiveness of the Tocumwal's Town Beach and Foreshore Reserve – the Council secured a grant to build fully accessible fishing platforms while a survey of Tocumwal residents identified strong support for any future development of Town Beach needing to ensure all abilities access.

#### **Supporting access to meaningful employment actions (2021/22)**

Staff survey comments contributed on ensuring that all staff have the opportunity to ensure that workplace modifications and equipment are fit for purpose and allow injured or older employers to work comfortably. Two new employees with disabilities have commenced in the past 12-months and continue to receive support as required from disability employment agencies

#### **Accessible systems, information or processes actions (2021/22)**

The Council's Disability Inclusion Action Plan was reviewed in the final six months of this year. Community feedback identified that local access to information and the changes in NDIS and funding of support services were priority issues. Council's role in this regard is limited to that of an advocate for place-based and localised service delivery by State and Federal funded NGOs. Also identified for further action is the accessibility of Council's website, and library services – new hardware and software is needed to promote digital inclusion and access.



# Equal Employment Opportunity

In April 2014, Council reviewed its Equal Employment Opportunity requirements under the *Local Government Act 1993, Ch. 11, Part 4*, and implemented changes that included:

- Separation and development of the Discrimination, Workplace Bullying and Harassment Policy, and the Equal Employment Opportunity Policy
- Development of the Equal Employment Opportunity Management Plan.

The Equal Employment Opportunity Policy outlines Council's commitment to EEO practices, and responsibilities for ensuring our workplace is fair and free from discrimination.

The Equal Employment Management Plan (EEO Plan) has been designed to work in with the Berrigan Shire Council Workforce Development Plan, incorporating the provisions as outlined in the *Local Government Act 1993*, and states Council's objectives for achieving compliance and eliminating discrimination in the workplace.

The EEO Plan is a dynamic document outlining actions for Council which include:

- Ongoing policy review
- Distribution of information and awareness sessions relating to equal employment opportunity
- Ongoing position description review
- Succession planning, training opportunities and career progression for EEO target groups
- Collection of relevant EEO information

**Reporting Requirement** *Local Government (General) Regulation 2021 cl 217 (1) (a9)*



**Table 9 Committees of Management**

Committees of Management exercising functions delegated by Council	
Barooga Advancement Group	
Barooga Community Botanical Gardens	
Barooga Recreation Reserve	
Berrigan Conservation Group & Tidy Town	
Berrigan Sportsground	
Berrigan War Memorial Hall	
Berrigan War Memorial Swimming Pool	
Boomanoomana Landcare	
Finley Recreation Reserve	
Finley Showground & Sporting Complex	
Finley War Memorial Hall	
Finley War Memorial Swimming Pool	
Finley School of Arts	
Finley Tidy Towns (in recess)	
Fullers Road Landcare	
Finley Log Cabin Museum and Mary Lawson Wayside Rest	
Native Dog Landcare Group	
Retreat Public Hall	
Tocumwal Foreshore	
Tocumwal Rail Preservation	
Tocumwal Recreation Reserve	
Tocumwal Swimming Pool	
Tocumwal War Memorial Hall	

**Reporting Requirement** *Local Government (General) Regulation 2021 cl 217 (1) (a6)*



**Table 10 Partnerships, Cooperatives or Other Joint Ventures**

Partnerships, Co-operatives or Other Joint Ventures	Role	Purpose
Statewide Mutual	Member	Workers compensation mutual-insurance pool
Riverina and Murray Joint Organisation (RAMJO)	Organisation Member	Local Government Service Coordination and regional advocacy
Local Government NSW	Organisation Member	Local Government Sector Peak Body: high level intergovernmental advocacy, procurement and strategic support
Murray Regional Tourism Board	Member	Regional tourism promotion and development
South-West Arts	Member	Promotion and development of the Arts
Local Government Superannuation Scheme (LG Super)	Participating Employer	Complying superannuation scheme

**Reporting Requirement** *Local Government (General) Regulation 2021 cl 217 (1) (a8)*

**Table 11 Section 67 Works carried out on Private Land**

Summary Resolutions Section 67 – Works carried out on Private Land
Nil

**Reporting Requirement** *Local Government (General) Regulation 2021 cl 217 (1) (a4)*

**Table 12 Statement of Corporations, Partnerships and Trusts**

Statement of all corporations, partnerships, trusts, joint ventures, syndicates or other bodies in which council held a controlling interest
Nil

**Reporting Requirement** *Local Government (General) Regulation 2021 cl 217 (1) (a7)*

**Table 13 Capital Expenditure Review Report**

Capital Expenditure Reviews
Nil

**Reporting Requirement** OLG Capital Expenditure Review Guidelines



**Table 14 Section 356 Grants and Contributions**

Organisation	Purpose	\$
Rural Fire Fund, Board of Fire, NSW SES	Fire Services & Emergency Services levy	201,000
RAMJO	Inter-Council Collaboration	17,000
Donations, contributions and assistance to other organization (Sec 356)		
Heritage and cultural programs	Community development	10,000
Public Halls and community facilities	Recreation and community support – operational grant	20,000
Sporting grounds	Recreation – operational grant	17,000
Swimming pools	Recreation – operation grant	148,000
Murray Regional Tourism	Tourism & Area Promotion	72,000
Other		37,000

The following summary includes the amount, costs and expenses paid or received by way of out of Court settlements, other than those the terms of which are not to be disclosed in addition to a summary of the status of each legal proceeding and the result (if finalized) for the 12-monthly period 1 July 2020 to 30 June 2021. NB: Current financial year costs incurred include costs for Matters not yet finalised.

**Table 15 Legal Proceedings**

Legal Proceedings				
Details of Legal Proceedings	Amount Incurred	Amount Recovered	State of Progress	Result
NA				

**Reporting Requirement** *Local Government (General) Regulation 2021 cl 217 (1) (a3)*

The following table is a summary of routine legal action taken for the collections of outstanding debt.



**Table 16 Debt Recovery**

Debt Recovery (Outstanding Rates and Charges)		
	Number	\$ Cost
Summons	17	\$9,9934.80
Other Legal Action	14	\$2,627.50
<b>Total</b>		<b>\$12,562.30</b>

**Reporting Requirement** *Local Government (General) Regulation 2021 cl 217 (1) (a3)*

**Table 17 Rates and Charges Written Off**

Rates and Charges Written Off	\$
Ordinary/General Rates / Interest	\$220.05
Annual Water Charges / Interest	\$39.33
Water Consumption Charges / Interest	\$6,203.01
Annual Sewer / Pedestal Charges / Interest	\$55.13
Garbage / Domestic Waste Charges / Interest	\$105.75
Stormwater / Drainage Charges / Interest	\$417.47
Interest / Legal & Other Charges	\$0
<b>Total</b>	<b>\$7,081.87</b>

**Reporting Requirement** *Local Government (General) Regulation 2021 cl 132*

**Table 18 Swimming Pool Inspections**

Swimming Pool Inspections	
Tourist and visitor accommodation	2
Premises with more than two dwellings	1
certificate of compliance under s22D of the SP Act	21
certificate of non-compliance under cl 21 SP Reg	1

**Reporting Requirement** *Swimming Pools Act 1992 (SP Act), s 22F(2) Swimming Pools Regulation 2018 (SP Reg) cl 23*



**Table 19 Labour Statistics**

Labour Statistics – Staff employed 25 May 2022	
Persons directly employed	92
Permanent Fulltime Staff	67
Permanent Part Time Staff	7
Casual Staff	3
Apprentice or Trainee	5
Fixed Term Contract	2
Senior Staff	4
Contractors (labour)	4

**Reporting Requirement** *Local Government (General) Regulation 2021 cl 217*



**Table 20 Animal Control**

	NUMBER
Total Dogs Seized	65
Dogs returned to owner	14
Dogs impounded	51
Dogs surrendered	16
Dogs Sold	12
Dogs Released to organisations to rehome	13
Dogs Euthanized – Unable to rehome	42
Cats impounded	11
Cats returned to owner	0
Cats sold	2
Cats euthanized – Unable to rehome	9
Penalty Infringement Notices Issued – COMP. ANIMALS	26
Penalty Infringement Notices Issued – LIVESTOCK	2
Reportable Dog Attacks	2
Dangerous Dog Declarations	0
Off-Leash Areas in the Shire:	2
Community Education Programs as required Council Bulletin	0
De-sexed animals attract a reduced registration fee	0
<b>EXPENSE</b>	
Companion Animal and Livestock Impounding – Staff Salaries	104,870.69
Companion Animal and Livestock Impounding – Vehicle operating costs	23,169.22
Companion Animal and Livestock Impounding – Telephone expenses	416.75
Dog Food Expenses	1,065.23
Government Registrations and levies	11,799.41
Other Operating Expenses	3,864.04
Capital Works Improvements to Pound Facility	Nil
<b>INCOME</b>	
Companion Animal Registration Fee Reimbursement	10,349.60
Penalty Notices – Fines Received	7,444.17







Council's **Asset Management Strategy 2022 – 2032**

assists Council monitor the delivery of services from Council infrastructure including:

roads, bridges, footpaths, stormwater drainage, and flood protection levees; corporate and council community service facilities - parks, reserves, pools, libraries, halls, and other council buildings; commercial facilities – caravan parks, sale yards, quarries, and aerodrome; waste management, sewerage, water distribution and supply.

Council assets also include plant and Council business operations technology and systems.

As of 30 June 2022, the value of the Council's infrastructure assets was \$403,135.

We use the **Asset Management Strategy** to show:

- How its asset portfolio will meet the service delivery needs of its community into the future,
- What Council's asset management policies are to be achieved, and to
- Ensure the integration of Council's asset management with [Berrigan Shire 2032](#) our communities' and Council's long term strategic plan

Each year Council in its Annual Report provides a snapshot of its capital works program, the assessed value and condition of Council assets and contracts awarded by Council to build, maintain, or plan new assets

## STATE OF OUR ASSETS



**Table 20 Contracts – Includes Contracts over \$150,000**

Contracts – includes Contracts over \$150,000		
Name and address of Contractor	Contract description	Tendered amount (including GST)
Andrew Goldman Excavations Pty Ltd 1843 Murray Valley Hwy Burramine VIC 3730	T01/21/22 Annual Plant Hire	Schedule of Rates
The Trustee for Robex Civil Income Trust T/A Robex Civil 25 Sunrise Court Cobram VIC 3644	T01/21/22 Annual Plant Hire	Schedule of Rates
Brooks Hire Service Pty Ltd 30 Coulson Way Canning Vale WA 6155	T01/21/22 Annual Plant Hire	Schedule of Rates
Cleanaway Co Pty Ltd T/A Toxfree 2/9 Romet Road Wodonga VIC 3690	T01/21/22 Annual Plant Hire	Schedule of Rates
Coates Hire Operations Pty Ltd Level6, O’Riordan Street Mascot NSW 2020	T01/21/22 Annual Plant Hire	Schedule of Rates
Conplant Pty Ltd 25 York Road Ingleburn NSW 2565	T01/21/22 Annual Plant Hire	Schedule of Rates
The Trustee for Boda Family Trust T/A Conx Hire 7924 Goulburn Valley Highway Kialla VIC 3631	T01/21/22 Annual Plant Hire	Schedule of Rates
Drainflow Solutions Pty Ltd 73 McCarthy Street Mulwala NSW 2647	T01/21/22 Annual Plant Hire	Schedule of Rates
The Trustee for SJ & SD Fox Family Trust T/A Foxys Backhoe Service 26-40 Brunner Street Berrigan NSW 2712	T01/21/22 Annual Plant Hire	Schedule of Rates
O’Loughlin Excavations 774 Campbell Road Muckatah VIC 3644	T01/21/22 Annual Plant Hire	Schedule of Rates
Porter Excavations Pty Ltd T/A Porter Plant 5110 Colac-Ballarat Road Cambrian VIC 3352	T01/21/22 Annual Plant Hire	Schedule of Rates
Precision Grading Pty Ltd 10 Maxwell Street Shepparton VIC 3630	T01/21/22 Annual Plant Hire	Schedule of Rates
Rollers Australia 14B Lawson Street Wagga Wagga NSW 2650	T01/21/22 Annual Plant Hire	Schedule of Rates



Contracts – includes Contracts over \$150,000		
Name and address of Contractor	Contract description	Tendered amount (including GST)
RSP Environmental Services 994 Wellington Street Strathfieldsaye VIC 3551	T01/21/22 Annual Plant Hire	Schedule of Rates
Stanton Corporation Pty Ltd T/A Universal Mobile Tower Hire 18 Davis Road Wetherill Park NSW 2164	T01/20/21 Annual Plant Hire	Schedule of Rates
Andrew Goldman Excavations Pty Ltd 1843 Murray Valley Hwy Burrarnie VIC 3730	T02/21/22 Supply of Quarry Products	Schedule of Rates
Lawrence Brothers Quarries Pty Ltd 32 Stevenson Court Yarrawonga VIC 3730	T02/21/22 Supply of Quarry Products	Schedule of Rates
Cobram Electrical and Data Services 30 Dillon Street Cobram VIC 3644	T03/21/22 Supply of Electrical Services	Schedule of Rates
Ian Wastle Pace Electrics Pty Ltd 187 Newell Highway Tocumwal NSW 2714	T03/21/22 Supply of Electrical Services	Schedule of Rates
PA & JL Scott 5 McNamara Street Finley NSW 2713	T03/20/21 Supply of Electrical Services	Schedule of Rates
RW Purtle Electrical Pty Ltd 14 Lang Street Mulwala NSW 2647	T03/20/21 Supply of Electrical Services	Schedule of Rates
Pipeline Watertech Pty Ltd Unit2, 3-5 Wrightland Place Arndell Park NSW 2148	T15-20-21 Tocumwal Sewer Augmentation – Stage 1E Relining of 300mm Diameter VC Gravity Sewer Main - Tocumwal	\$329,218.20
E. B. Mawson & Sons Pty Ltd 141 King George Street Cohuna VIC 3568	T16/20/21 Supply of Road Base Material for Lower River Road Reconstruction	Schedule of Rates
Stabilco Pty Ltd 26 Irwin Road Benalla VIC 3672	T04/21/22 Insitu Pavement Stabilisation for 21/22 Financial Year	Schedule of Rates
Downer EDI Works Pty Ltd 1 Unwin Street Rosehill NSW 2142	T05/20/21 Supply, Delivery & Spraying of Bulk Cut-Back Bitumen for 21/22 Financial Year	Schedule of Rates
Crawford Civil Pty Ltd 36-40 Dean Street Tocumwal NSW 2714	T06/21/22 Apex Park Drainage Upgrade, Berrigan	\$256,350.50
Metele Pty Ltd T/A Wagga Trucks 280 Hammond Avenue Wagga Wagga NSW 2650	Q05/21/22 Supply & Delivery of one (1) Tipping Crane Truck	\$280,451.60
Metele Pty Ltd T/A Wagga Trucks	Q13/21/22 Supply & Delivery of one (1) Truck & Water Tanker	\$345,101.90



Contracts – includes Contracts over \$150,000		
Name and address of Contractor	Contract description	Tendered amount (including GST)
280 Hammond Avenue Wagga Wagga NSW 2650		
Water Treatment Australia 7 Treforest Drive Clayton VIC 3068	T07/20/21 Design, Supply, Installation, Testing and Commissioning of Barooga Water Treatment Plant Upgrade	\$5,205,505.91
Water Treatment Australia 7 Treforest Drive Clayton VIC 3068	T08/20/21 Design, Supply, Installation, Testing and Commissioning of Finley Water Treatment Plant Upgrade	\$5,900,547.24

Reporting Requirement Local Government (General) Regulation 2005 cl 217 (1) (a2)

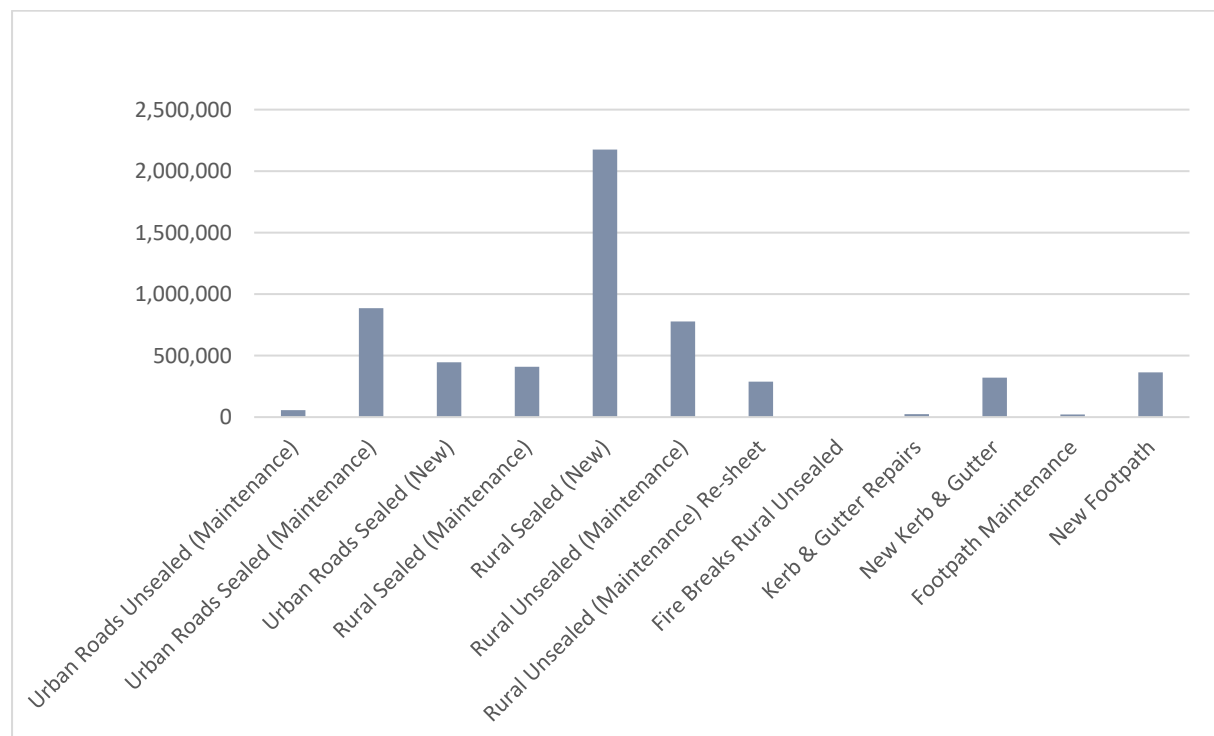


## Our Transport Network

Council in the past year has continued its commitment to maintain our road and footpath network to a high standard

**Table 21 Value of Road Works Completed**

Value of Road Works Completed	\$
Urban Roads Unsealed (Maintenance)	57,000
Urban Roads Sealed (Maintenance)	886,000
Urban Roads Sealed (New)	446,000
Rural Sealed (Maintenance)	409,000
Rural Sealed (New)	2,175,000
Rural Unsealed (Maintenance)	778,000
Rural Unsealed (Maintenance) Re-sheet	288,000
Fire Breaks Rural Unsealed	Nil
Kerb & Gutter Repairs	24,000
New Kerb & Gutter	321,000
Footpath Maintenance	22,000
New Footpath	364,000
<b>Total</b>	<b>\$5,770,000</b>





## Water and Sewer

No major capital items were completed in the 21/22 financial year although there were a number of significant smaller asset renewal projects as follows:

**Table 22 Water Services Asset Renewals**

Water Services Asset Renewals	\$
Berrigan	nil
Tocumwal	12,000
Barooga	13,000
Finlay	300,000
<b>Value of Water Asset Renewal Works</b>	113,000
	<b>438,000</b>

**Table 23 Sewer Services Renewals**

Sewer Services Asset Renewal Projects	\$
Berrigan	48,000
Tocumwal	643,000
Barooga	32,000
Finley	17,000
<b>Value of Sewer Asset Renewal Works</b>	77,000
	<b>817,000</b>

Council operates two business units - its water supply service and its sewer service. Each service is required to raise sufficient fund from its own activities to fund its operation.

The water supply service 2021/2022 made an operating surplus of \$936,000 a small decrease on the 2020/21 result where the Council's water supply business returned a \$990,000 operating surplus

The Council's sewer service returned this financial year an operating deficit of \$141,000 compared to the 2020/21 financial year's operating surplus of \$77,000 – the result of comprehensive revaluations increasing the annual depreciation expense.



## Stormwater Management Plan – Statement of Works 2021 – 2022

**Table 24 Major Stormwater Works**

Major Stormwater Works Completed	\$
Jersey Street, Tocumwal	100,000
<b>Value of Works undertaken</b>	<b>100,000</b>

**Reporting Requirement** *Local Government (General) Regulation 2021 cl 217 (1) (e)*



# FINANCIAL MANAGEMENT

After Capital Grants and Contributions, the Berrigan Shire Council generated a deficit \$ 1.6 m for the 2021/22 financial year.

This report provides a brief overview of Council's revenue and expenditure.

Detailed information is included in the Council's audited financial statements which are the final part of this report



## Financial Performance

**Table 25 Financial Performance**

	2018/19	2019/20	2020/21	2021/2022
Revenue	\$24.9 m	\$26.5 m	\$29.7 m	\$27.3 m
Expenditure	\$20.8 m	\$22.1 m	\$23.6 m	\$25.2 m
<b>Surplus</b>	<b>\$ 4.1 m</b>	<b>\$ 4.4 m</b>	<b>\$ 6.1 m</b>	<b>\$ 2.1 m</b>
Surplus/Deficit before Capital Grants & Contributions	\$0.5 m	\$0.7 m	(\$0.3 m)	(\$1.6 m)

**Table 26 Industry Performance Measures**

Industry Indicators	Benchmark	2021/22	Performance	2020/21
Operating Performance Ratio	Greater than 0%	-2.00%		4.02%
Own Source Operating Revenue Ratio	Greater than 60%	53.26%		50.84%
Unrestricted Current Ratio	Greater than 1.50:1	3.94:1	✓	4.88:1
Debt Service Cover Ratio	Greater than 2.00:1	10.15:1	✓	15.4:1
Rates Outstanding Percentage	Less than 10.00%	4.13%	✓	4.11%
Cash Expense Cover Ratio	Greater than 3.00 months	11.29 months	✓	25.87 months

**Table 27 Infrastructure Asset Management Performance Measures**

Infrastructure Asset Performance Indicators	Benchmark	2021/22	Performance	2020/21
Building and Infrastructure Renewals Ratio	Greater than 100%	108.52%	✓	141.91%
Building and Infrastructure Renewals Ratio (General Fund)	Greater than 100%	130.74%	✓	141.42%
Infrastructure Backlog Ratio	Less than 2%	0.00%	✓	0.00%
Asset Maintenance Ratio	Greater than 100%	106.31%	✓	123.30%

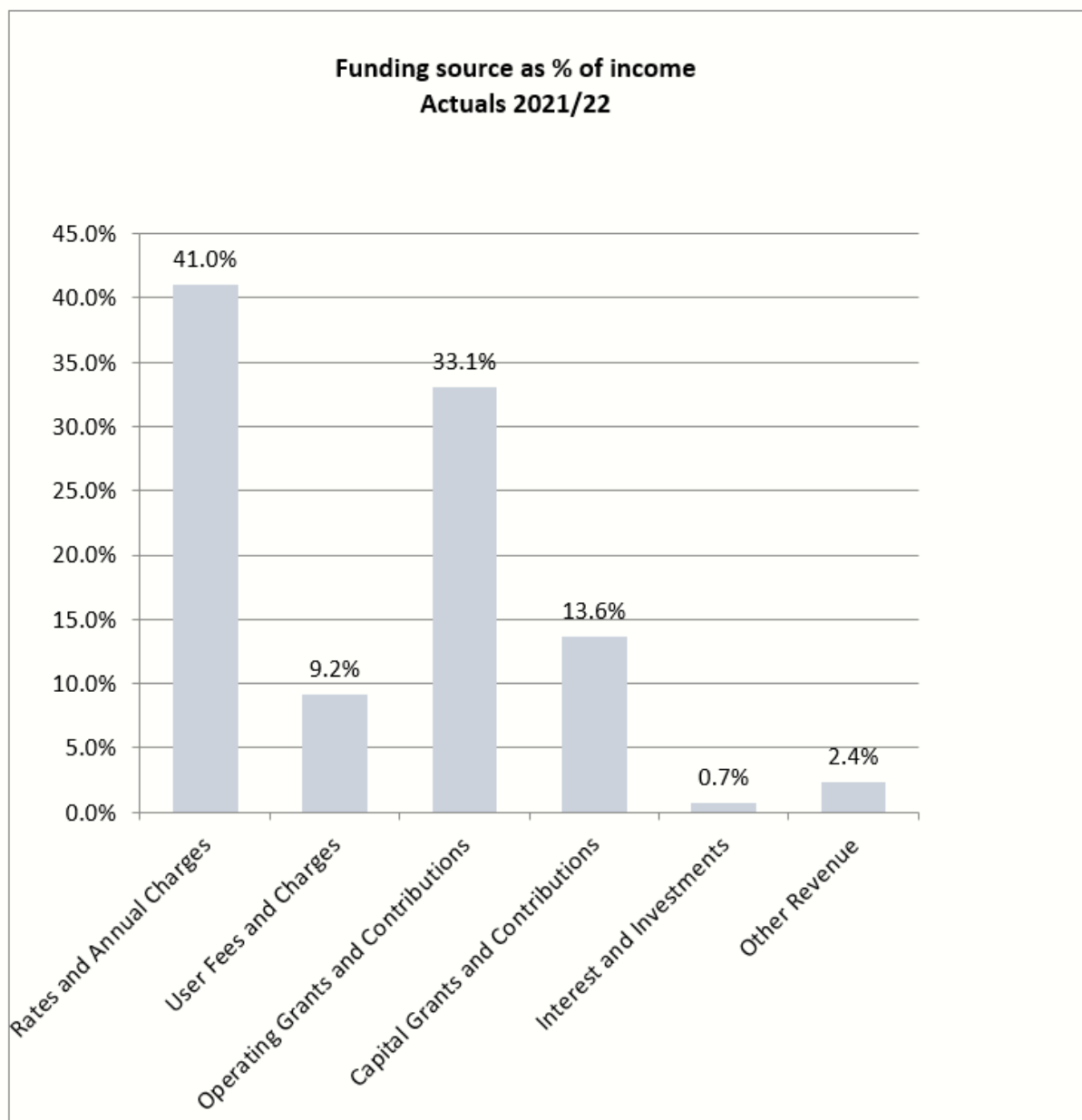


## Where did the money come from?

The total of annual rates and charges contributes to 37% of total consolidated revenues. The balance is made up of user charges, government grants, interest, and developer contributions. The BSC Statement of Revenue Policy provides Council with a transparent and consistent framework for making, levying, and collecting rates and charges

After council rates, charges and interest operating grants and contributions are the next most important source of revenue.

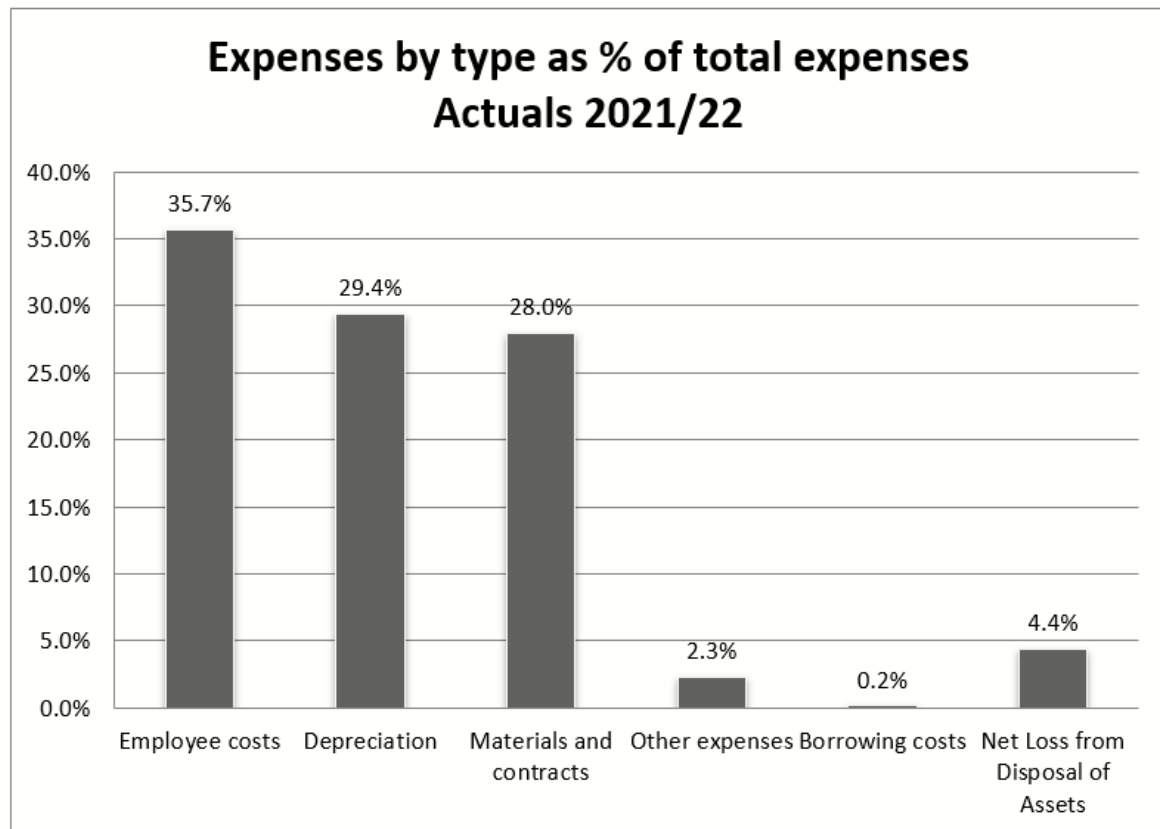
**Figure 1 Breakdown of Revenue**





## Expenses – How was the money spent?

**Figure 2 Expenditure**



## Balance Sheet

Council's balance sheet describes what it owns and owes to relevant stakeholders which, when taken together determines the net wealth of the community. Most of the Council's assets are roads and associated infrastructure.

**Table 28 Balance Sheet**

	2017/18	2018/19	2019/20	2020/21	2021/22
Assets	\$275.5 m	\$285.0 m	\$343.3m	\$392.8m	\$403.1m
Less Liability	\$5.1 m	\$4.8 m	\$7.8m	\$15.2m	\$10.7m
Equity	\$270.3 m	\$280.2 m	\$335.5m	\$377.6m	\$392.4m



## Assets & Liabilities

**Cash assets** include the Council's bank deposits, term deposits, managed funds and other cash holdings held for future use.

**Receivables** are the funds owed to the Council by other parties, including ratepayers, government departments and other organisations.

**Inventories** include the goods held by the Council for use in its operations such as gravel, pipes, and the like as well as developed land held for sale.

**Table 29 Assets and Liabilities**

ASSET	%
Infrastructure, Property, Plant and Equipment	88.30
Investments	6.48
Cash and Cash equivalents	4.31
Receivables	0.71
Inventories	0.19
Other	0.01
LIABILITIES	%
Provisions	26.12
Payables	20.35
Borrowings	44.63
Contract Liabilities	8.90

Provisions cover the amounts put aside by the Council for future commitments such as employee entitlements (annual leave, etc.) and remediation of the Council's tips and quarries. Payables are amounts that the Council owes other parties and including government departments and suppliers. It also accounts for rates and charges paid in advance. Borrowings include those amounts borrowed by the Council to fund investments in community assets.



## Council's Liquidity, Cash, and Investments

Liquidity ratios are used to assess the adequacy of working capital and the Council's ability to satisfy its obligations in the short term. The liquidity ratios indicate that the Council can pay its debts as and when they fall due. The stability of the ratios indicates the strength of Council's position and are consistent with the strong liquidity position of prior years. A 1-1 or better ratio tells us that Council has sufficient funds to meet its commitments and maintain cash flow.

**Table 30 Cash and Investment Balances**

	2018/19	2019/20	2020/21	2021/22
Unrestricted Current Ratio	6.79	4.33	4.73	3.94
Cash & Investment Balances	\$35.4 m#	\$38.3	\$42.7m	\$43.4m



## Council's Debt Strategy

Council actively manages its level of debt while making judicious use of borrowed funds where appropriate to improve its community infrastructure.

Council will borrow where:

1. A financial return can be made on the asset - such as in water and sewer infrastructure or in property development, or
2. Where the return on investment (financial or otherwise) justifies borrowing to bring forward a desired project.

As of 30 June 2022, the Council had five loans:

1. **\$1.63m** over a 10-year term drawn down in 2014/15 to fund essential stormwater drainage works in Berrigan, Finley and Tocumwal. The interest payable is subsidised by the NSW Government under the Local Infrastructure Renewal Scheme (LIRS)
2. **\$1m** over a 10-year term drawn down in 2019/20 to fund residential land development and associated open space in Finley. The interest payable is subsidised by the NSW Government under the Low-Cost Loans Initiative (LCLI).
3. **\$4m** over a 10-year term drawn down in 2020/21 to fund the Barooga Water Treatment Plant. The interest payable is subsidised by the NSW Government under the Low Cost Loans Initiative (LCLI)
4. **\$1m** over a 10-year term drawn down in 2020/21 to fund various capital projects.
5. **\$2.6m** over a 10-year term drawn down in 2020/21 to fund the Finley Water Treatment Plant.

All borrowings by Berrigan Shire Council are fixed interest loans with monthly or yearly payments of principal and interest.

## Water and Sewer Funds

Council operates two business units - its water supply service and its sewer service. Each service is required to raise sufficient fund from its own activities to fund its operation.

The water supply service made an operating surplus of \$ 936k in 2020/21 consistent with the 2020/21 result.

The Council's sewer service made an operating deficit of \$ 141k, a decrease from the \$77k surplus in 2020/21.



## Audited Financial Statements





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General Purpose Statements 2021 - 2022

Special Purpose Statements 2021 - 2022



# Berrigan Shire Council

ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2022

---

*"Making an even better Berrigan Shire"*





# Berrigan Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2022

---

*"Making an even better Berrigan Shire"*





# Berrigan Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2022

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### Overview

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

56 Chanter St  
BERRIGAN NSW 2712

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.berriganshire.nsw.gov.au](http://www.berriganshire.nsw.gov.au).



# Berrigan Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2022

## Understanding Council's Financial Statements

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### Introduction

Each year New South Wales 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 two 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.



## Berrigan Shire Council

### General Purpose Financial Statements

for the year ended 30 June 2022

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Statement by Councillors and Management made pursuant to Section 413(2)(c) 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 07 December 2022.



Cr Matthew Hannan

Mayor

07 December 2022



Cr Carly Marriott

Councillor

07 December 2022



Karina Ewer

Chief Executive Officer

07 December 2022



Tahlia Fry

Responsible Accounting Officer

07 December 2022



## Berrigan Shire Council

## Income Statement

for the year ended 30 June 2022

Original unaudited budget 2022	\$ '000	Notes	Actual 2022	Actual 2021
<b>Income from continuing operations</b>				
11,106	Rates and annual charges	B2-1	11,234	10,938
1,911	User charges and fees	B2-2	2,514	2,746
726	Other revenues	B2-3	468	892
6,633	Grants and contributions provided for operating purposes	B2-4	9,060	8,181
2,482	Grants and contributions provided for capital purposes	B2-4	3,734	6,397
784	Interest and investment income	B2-5	182	374
—	Other income	B2-6	183	128
23,642	<b>Total income from continuing operations</b>		<b>27,375</b>	<b>29,656</b>
<b>Expenses from continuing operations</b>				
4,815	Employee benefits and on-costs	B3-1	9,013	8,144
7,068	Materials and services	B3-2	7,067	6,992
132	Borrowing costs	B3-3	45	77
6,429	Depreciation, amortisation and impairment of non-financial assets	B3-4	7,423	6,546
2,936	Other expenses	B3-5	582	569
—	Net loss from the disposal of assets	B4-1	1,120	1,235
21,380	<b>Total expenses from continuing operations</b>		<b>25,250</b>	<b>23,563</b>
2,262	<b>Net operating result for the year attributable to Council</b>		<b>2,125</b>	<b>6,093</b>
(220)	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>(1,609)</b>	<b>(304)</b>

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



## Berrigan Shire Council

## Statement of Comprehensive Income

for the year ended 30 June 2022

\$ '000	Notes	2022	2021
<b>Net operating result for the year – from Income Statement</b>		<b>2,125</b>	<b>6,093</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain/(loss) on revaluation of infrastructure, property, plant and equipment	C1-6	<b>12,668</b>	36,055
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>12,668</b>	36,055
<b>Total other comprehensive income for the year</b>		<b>12,668</b>	36,055
<b>Total comprehensive income for the year attributable to Council</b>		<b>14,793</b>	42,148

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



# Berrigan Shire Council

## Statement of Financial Position

as at 30 June 2022

\$ '000	Notes	2022	2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	17,384	14,684
Investments	C1-2	26,084	28,026
Receivables	C1-4	2,874	2,956
Inventories	C1-5	760	230
Other	C1-11	51	51
<b>Total current assets</b>		<b>47,153</b>	<b>45,947</b>
<b>Non-current assets</b>			
Infrastructure, property, plant and equipment (IPPE)	C1-6	355,982	343,299
<b>Total non-current assets</b>		<b>355,982</b>	<b>343,299</b>
<b>Total assets</b>		<b>403,135</b>	<b>389,246</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	2,174	1,689
Contract liabilities	C3-2	951	1,064
Borrowings	C3-3	659	644
Employee benefit provisions	C3-4	1,607	2,654
Provisions	C3-5	466	34
<b>Total current liabilities</b>		<b>5,857</b>	<b>6,085</b>
<b>Non-current liabilities</b>			
Borrowings	C3-3	4,109	4,768
Employee benefit provisions	C3-4	641	172
Provisions	C3-5	76	562
<b>Total non-current liabilities</b>		<b>4,826</b>	<b>5,502</b>
<b>Total liabilities</b>		<b>10,683</b>	<b>11,587</b>
<b>Net assets</b>		<b>392,452</b>	<b>377,659</b>
<b>EQUITY</b>			
Accumulated surplus		130,522	128,397
IPPE revaluation reserve	C4-1	261,930	249,262
<b>Total equity</b>		<b>392,452</b>	<b>377,659</b>

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



## Berrigan Shire Council

## Statement of Changes in Equity

for the year ended 30 June 2022

		2022			2021		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
<b>\$ '000</b>	Notes						
Opening balance at 1 July		128,397	249,262	377,659	122,304	213,207	335,511
Net operating result for the year		2,125	–	2,125	6,093	–	6,093
<b>Other comprehensive income</b>							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	–	12,668	12,668	–	36,055	36,055
<b>Other comprehensive income</b>		–	12,668	12,668	–	36,055	36,055
<b>Total comprehensive income</b>		2,125	12,668	14,793	6,093	36,055	42,148
<b>Closing balance at 30 June</b>		130,522	261,930	392,452	128,397	249,262	377,659

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



## Berrigan Shire Council

## Statement of Cash Flows

for the year ended 30 June 2022

Original unaudited budget 2022	\$ '000	Notes	Actual 2022	Actual 2021
<b>Cash flows from operating activities</b>				
<b>Receipts:</b>				
11,106	Rates and annual charges		11,240	11,064
1,937	User charges and fees		2,463	3,036
786	Interest received		205	456
8,795	Grants and contributions		13,151	13,418
–	Bonds, deposits and retentions received		20	80
840	Other		1,960	4,753
<b>Payments:</b>				
(4,810)	Payments to employees		(10,544)	(9,318)
(6,865)	Payments for materials and services		(7,273)	(7,508)
(132)	Borrowing costs		(45)	(77)
(2,936)	Other		(708)	(2,492)
8,721	<b>Net cash flows from operating activities</b>	G1-1	<b>10,469</b>	<b>13,412</b>
<b>Cash flows from investing activities</b>				
<b>Receipts:</b>				
–	Redemption of term deposits		28,948	–
–	Sale of real estate assets		749	83
359	Proceeds from sale of IPPE		190	448
<b>Payments:</b>				
(665)	Acquisition of term deposits		(27,006)	(980)
(20,198)	Payments for IPPE		(9,027)	(13,109)
–	Purchase of real estate assets		(979)	(1)
(20,504)	<b>Net cash flows from investing activities</b>		<b>(7,125)</b>	<b>(13,559)</b>
<b>Cash flows from financing activities</b>				
<b>Receipts:</b>				
550	Proceeds from borrowings		–	4,000
<b>Payments:</b>				
(631)	Repayment of borrowings		(644)	(414)
(81)	<b>Net cash flows from financing activities</b>		<b>(644)</b>	<b>3,586</b>
(11,864)	<b>Net change in cash and cash equivalents</b>		<b>2,700</b>	<b>3,439</b>
14,300	Cash and cash equivalents at beginning of year		14,684	11,245
2,436	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>17,384</b>	<b>14,684</b>
21,180	plus: Investments on hand at end of year	C1-2	26,084	28,026
23,616	<b>Total cash, cash equivalents and investments</b>		<b>43,468</b>	<b>42,710</b>

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



# Berrigan Shire Council

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# Berrigan 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 07 December 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.

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.

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

- Income statement
- Statement of cash flows
- Note B5-1 – Material budget variations

and are clearly marked.

#### **Historical cost convention**

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities and certain classes of 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) fair values of infrastructure, property, plant and equipment – refer Note C1-6
- (ii) tip remediation provisions – refer Note C3-5
- (iii) employee benefit provisions – refer Note C3-4

#### **Significant judgements in applying the Council's accounting policies**

- (i) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables – refer Note C1-4.

Council monitors its receivables closely and currently considered all of them recoverable, with debt collection processes ongoing where necessary.

#### **COVID-19 Impacts**



## A1-1 Basis of preparation (continued)

The COVID-19 pandemic has had a substantial impact on the Council and its operations with the cost of goods and materials substantially increasing throughout the year.

Collections of outstanding rates remain strong and remain at pre-COVID-19 levels. This will need to be continually monitored over the recovery period.

Interest rates and investment returns have been at historic lows throughout the financial year however Council is beginning to see substantial increases in investment returns which will ease pressures and create further revenue for Council's general fund in future years. As Council's borrowings are at fixed interest rates Council has not been affected by increased borrowing rates this financial year.

For assets where fair value is determined by market value Council has seen increases in the value of land and buildings.

In an overall sense, the financial impact of the COVID-19 pandemic has had a negative impact on Council's overall budget surplus and Council expects this to continue for the medium term.

### Monies and other assets received by Council

#### The Consolidated Fund

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

The Consolidated Fund has been included in the financial statements of the Council.

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

- General purpose operations
- Water service
- Sewerage service

#### 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 has no material reliance on volunteer services and there is no financial impact on the financial statements as presented.

#### 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 pronouncements 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 accounting standards, which were mandatorily effective from 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
<b>Functions or activities</b>										
Sustainable Natural and Built Landscapes	14,807	15,642	18,283	16,402	(3,476)	(760)	6,222	7,028	324,614	313,641
Good Government	10,817	9,613	2,793	1,883	8,024	7,730	5,064	3,782	28,799	28,744
Supported and Engaged communities	950	3,875	3,383	3,819	(2,433)	56	1,505	3,597	42,179	42,185
Diverse and resilient business	801	526	791	1,459	10	(933)	3	171	7,543	4,676
<b>Total functions and activities</b>	<b>27,375</b>	<b>29,656</b>	<b>25,250</b>	<b>23,563</b>	<b>2,125</b>	<b>6,093</b>	<b>12,794</b>	<b>14,578</b>	<b>403,135</b>	<b>389,246</b>



## B1-2 Components of functions or activities

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### **Sustainable and Natural Built Landscapes**

Details relating to the councils functions or activities as reported in B1-1 are as follows:

Development decisions made today about how we move around and between our communities and use our natural resources - the River, wildlife, forests, agricultural and urban land, and water shape the future of our communities. Council's Delivery Program and strategic objectives are:

- 1.1 Support sustainable use of natural resources and built landscapes;
- 1.2 Retain the diversity and preserve the health of our natural landscapes and wildlife; and
- 1.3 Connect and protect our communities.

Sustainable and natural built landscapes include the Council functions of Housing, Environment, Water Supply, Sewerage Services, Mining, Manufacture and Construction, and Transport and Communication.

### **Good Government**

Good government is about making good decisions over time. These decisions involve managing our financial, economic, and environmental risks and the social implications of decisions made. Council's good government Delivery Program and strategic objectives are:

- 2.1 Berrigan Shire 2027 objectives and strategic actions facilitate the effective governance by Council of Council operations and reporting; and
- 2.2 Strengthen strategic relationships and partnerships with community, business and government.

Good Government includes the Council functions of Administration and Governance.

### **Supported and Engaged communities**

Safe, healthy, accessible and inclusive communities are child and older person friendly. Lifelong learning, cultural expression, services for older residents and recreational activities provide opportunities for people with a diverse range of interests to become involved and engaged in their local communities. Council's Supported and engaged communities Delivery Program and strategic objectives are:

- 3.1 Create safe, friendly and accessible communities; and
- 3.2 Support community engagement through life-long learning, culture and recreation.

Supported and engaged communities includes the Council functions of Public Order and Safety, Health, Community Amenities, Community Services and Education and Recreation and Culture.

### **Diverse and resilient business**

Our lifestyle, climate, existing facilities and proximity to Melbourne present a range of agricultural, tourism, retail and health industry opportunities. Council's Delivery Program and diverse and resilient business strategic objectives include:

- 4.1 Strengthen and diversify the local economy and invest in local job creation and innovation;
- 4.2 Diversify and promote local tourism; and
- 4.3 Connect local, regional and national road and rail infrastructure and networks.

Diverse and resilient business include the Council functions of Economic Affairs.



## B2 Sources of income

### B2-1 Rates and annual charges

\$ '000	Timing	2022	2021
<b>Ordinary rates</b>			
Residential	1	2,971	2,891
Farmland	1	1,994	1,960
Business	1	598	591
Less: pensioner rebates	1	(174)	(176)
<b>Rates levied to ratepayers</b>		<b>5,389</b>	<b>5,266</b>
Pensioner rate subsidies received	2	95	95
<b>Total ordinary rates</b>		<b>5,484</b>	<b>5,361</b>
<b>Annual charges</b>			
(pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic waste management services	1	1,135	1,102
Stormwater management services	1	76	77
Water supply services	1	2,254	2,192
Sewerage services	1	2,284	2,222
Waste management services (not-domestic)	1	104	96
Less: pensioner rebates	1	(242)	(244)
<b>Annual charges levied</b>		<b>5,611</b>	<b>5,445</b>
Pensioner annual charges subsidies received:			
– Water	2	47	46
– Sewerage	2	46	44
– Domestic waste management	2	46	42
<b>Total annual charges</b>		<b>5,750</b>	<b>5,577</b>
<b>Total rates and annual charges</b>		<b>11,234</b>	<b>10,938</b>

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
<b>User charges</b>			
Domestic waste management services	2	259	250
Water supply services	2	992	1,160
Sewerage services	2	64	64
Waste management services (not-domestic)	2	371	387
<b>Total User charges</b>		<b>1,686</b>	<b>1,861</b>
<b>Fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>			
Building regulation	2	337	309
Private works – section 67	2	54	135
Section 10.7 certificates (EP&A Act)	2	22	28
Section 603 certificates	2	36	35
Aerodrome	2	33	42
Cemeteries	2	115	120
Library	2	6	4
Swimming centres	2	87	87
Sewerage	2	12	4
Water supply	2	85	78
Other	2	41	43
<b>Total fees</b>		<b>828</b>	<b>885</b>
<b>Total user charges and fees</b>		<b>2,514</b>	<b>2,746</b>
<b>Timing of revenue recognition for user charges and fees</b>			
User charges and fees recognised over time (1)		–	–
User charges and fees recognised at a point in time (2)		2,514	2,746
<b>Total user charges and fees</b>		<b>2,514</b>	<b>2,746</b>

### 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. 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 the term of the licence.



## B2-3 Other revenues

\$ '000	Timing	2022	2021
Fines	2	2	1
Legal fees recovery – rates and charges (extra charges)	1	23	15
Commissions and agency fees	1	103	78
Diesel rebate	1	62	69
Recycling income (non-domestic)	1	37	7
Sales – general	1	2	7
Insurance rebate	1	3	10
Paid parental leave scheme	1	–	9
Sale of gravel	1	–	17
Sale of high security water	1	–	390
Sale of scrap metal	1	61	71
Other	1	45	80
Workers compensation recovery	1	130	138
<b>Total other revenue</b>		<b>468</b>	<b>892</b>

### Timing of revenue recognition for other revenue

Other revenue recognised over time (1)	466	891
Other revenue recognised at a point in time (2)	2	1
<b>Total other revenue</b>	<b>468</b>	<b>892</b>

### 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
<b>General purpose grants and non-developer contributions (untied)</b>					
<b>General purpose (untied)</b>					
<b>Current year allocation</b>					
Financial assistance – general component	1	1,907	1,696	–	–
Financial assistance – local roads component	1	769	706	–	–
<b>Payment in advance - future year allocation</b>					
Financial assistance – general component	1	2,927	1,814	–	–
Financial assistance – local roads component	1	1,186	757	–	–
<b>Amount recognised as income during current year</b>		<b>6,789</b>	<b>4,973</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>					
<b>Cash contributions</b>					
<b>Previously specific grants:</b>					
Bushfire and emergency services	1	73	59	–	–
Community care	2	3	2	–	–
Economic development	2	266	100	–	694
Employment and training programs	2	56	126	–	–
Environmental programs	2	–	47	–	–
ESPL implementation funds	2	94	79	–	–
Heritage and cultural	2	–	5	–	–
Library	2	7	–	–	4
Library – per capita	1	64	63	–	–
Library – special projects	1	20	20	–	–
LIRS subsidy	1	18	24	–	–
Recreation and culture	2	–	–	1,120	2,776
Noxious weeds	2	96	189	–	–
Sewerage services	2	–	–	2	2
Street lighting	2	51	56	–	–
Transport (other roads and bridges funding)	2	–	–	1,330	2,127
Transport (roads to recovery)	2	264	1,316	–	–
Water supplies	2	–	–	789	–
Other specific grants	2	219	77	197	–
<b>Previously contributions:</b>					
Business development	2	–	5	–	29
Heritage/cultural	2	–	–	–	91
Kerb and gutter	2	–	–	2	20
Paving	2	–	–	12	41
Recreation and culture	2	–	–	16	120
Transport for NSW contributions (regional roads, block grant)	2	1,040	1,040	158	186
Sewerage (excl. section 64 contributions)	2	–	–	–	60
<b>Total special purpose grants and non-developer contributions (tied)</b>		<b>2,271</b>	<b>3,208</b>	<b>3,626</b>	<b>6,150</b>
<b>Total grants and non-developer contributions</b>		<b>9,060</b>	<b>8,181</b>	<b>3,626</b>	<b>6,150</b>



**B2-4 Grants and contributions (continued)**

<b>\$ '000</b>	Timing	<b>Operating 2022</b>	Operating 2021	<b>Capital 2022</b>	Capital 2021
<b>Comprising:</b>					
– Commonwealth funding		<b>7,171</b>	6,544	<b>694</b>	1,026
– State funding		<b>1,889</b>	1,526	<b>2,902</b>	4,763
– Other funding		<b>–</b>	111	<b>30</b>	361
		<b>9,060</b>	<b>8,181</b>	<b>3,626</b>	<b>6,150</b>



## B2-4 Grants and contributions (continued)

### Developer contributions

\$ '000	Notes	Timing	Operating 2022	Operating 2021	Capital 2022	Capital 2021
<b>Developer contributions:</b>						
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
<b>Cash contributions</b>						
S 7.11 – contributions towards amenities/services		2	–	–	19	31
S 64 – water supply contributions		2	–	–	77	212
S 64 – sewerage service contributions		2	–	–	12	4
<b>Total developer contributions</b>			<b>–</b>	<b>–</b>	<b>108</b>	<b>247</b>
<b>Total grants and contributions</b>			<b>9,060</b>	<b>8,181</b>	<b>3,734</b>	<b>6,397</b>
<b>Timing of revenue recognition for grants and contributions</b>						
Grants and contributions recognised over time (1)			6,964	5,139	–	–
Grants and contributions recognised at a point in time (2)			2,096	3,042	3,734	6,397
<b>Total grants and contributions</b>			<b>9,060</b>	<b>8,181</b>	<b>3,734</b>	<b>6,397</b>



## 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
<b>Unspent grants and contributions</b>				
Unspent funds at 1 July	105	280	1,064	677
<b>Add:</b> Funds received and not recognised as revenue in the current year	8,020	7,029	5,168	6,046
<b>Add:</b> Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	(7,672)	(7,204)	(4,217)	(5,037)
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	–	–	(1,064)	(622)
<b>Unspent funds at 30 June</b>	<b>453</b>	<b>105</b>	<b>951</b>	<b>1,064</b>
<b>Contributions</b>				
Unspent funds at 1 July	847	600	–	–
<b>Add:</b> contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	108	247	–	–
<b>Add:</b> contributions received for the provision of goods and services	1,227	1,698	–	–
<b>Less:</b> contributions recognised in the current period now spent	(1,227)	(1,698)	–	–
<b>Unspent contributions at 30 June</b>	<b>955</b>	<b>847</b>	<b>–</b>	<b>–</b>

### 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 achievement of agreed service levels, or the completion of certain works or delivery of specified services. 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.

#### Other grants and contributions



## B2-4 Grants and contributions (continued)

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.

### 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.

## B2-5 Interest and investment income

\$ '000	2022	2021
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	22	14
– Cash and investments	160	360
<b>Total interest and investment income (losses)</b>	<b>182</b>	<b>374</b>
<b>Restricted investments/funds – external:</b>		
Water fund operations	78	130
Sewerage fund operations	22	34
<b>Total interest and investment income (losses)</b>	<b>182</b>	<b>374</b>

### Accounting policy

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



## B2-6 Other income

\$ '000	Notes	2022	2021
<b>Rental income</b>			
<b>Other lease income</b>			
Staff Housing		44	16
Caravan Park		33	35
Leaseback fees - council vehicles		61	53
Other facilities		45	24
<b>Total rental income</b>	C2-2	<b>183</b>	<b>128</b>
<b>Total other income</b>		<b>183</b>	<b>128</b>



## B3 Costs of providing services

### B3-1 Employee benefits and on-costs

\$ '000	2022	2021
Salaries and wages	6,652	6,127
Employee leave entitlements (ELE)	1,469	1,271
ELE on-costs	33	78
Superannuation – defined contribution plans	665	568
Superannuation – defined benefit plans	35	144
Workers' compensation insurance	273	267
Fringe benefit tax (FBT)	45	30
Protective clothing	26	24
Other	108	95
<b>Total employee costs</b>	<b>9,306</b>	<b>8,604</b>
Less: capitalised costs	(293)	(460)
<b>Total employee costs expensed</b>	<b>9,013</b>	<b>8,144</b>
Number of 'full-time equivalent' employees (FTE) at year end	98	97

#### Accounting policy

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

#### *Retirement benefit obligations*

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

#### *Superannuation plans*

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

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note E3-1 for more information.



### B3-2 Materials and services

\$ '000	Notes	2022	2021
Raw materials and consumables		3,729	4,307
Contractor and consultancy costs		323	242
– Domestic waste and recycling collection contract		430	423
Advertising		116	77
Audit Fees <sup>1</sup>	F2-1	65	65
Bank charges		54	48
Cleaning		6	6
Councillor and Mayoral fees and associated expenses	F1-2	176	165
Election expenses		97	–
Electricity and heating		289	330
Insurance		470	430
Street lighting		540	188
Subscriptions and publications		48	46
Telephone and communications		52	78
Training costs (other than salaries and wages)		157	101
Travel expenses		231	221
Valuation fees		40	40
Other expenses		141	167
<b>Legal expenses:</b>			
– Legal expenses: planning and development		12	25
– Legal expenses: debt recovery		91	33
<b>Total materials and services</b>		<b>7,067</b>	<b>6,992</b>

#### 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
<b>(i) Interest bearing liability costs</b>			
Interest on loans		99	79
<b>Total interest bearing liability costs</b>		<b>99</b>	<b>79</b>
<b>(ii) Other borrowing costs</b>			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C3-5	(54)	(2)
<b>Total other borrowing costs</b>		<b>(54)</b>	<b>(2)</b>
<b>Total borrowing costs expensed</b>		<b>45</b>	<b>77</b>

#### 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
<b>Depreciation and amortisation</b>			
Plant and equipment		915	911
Office equipment		23	23
Land improvements (depreciable)		54	54
<b>Infrastructure:</b>	C1-6		
– Buildings – non-specialised		9	11
– Buildings – specialised		616	638
– Roads		2,636	2,615
– Bridges		84	108
– Footpaths		70	74
– Stormwater drainage		228	242
– Water supply network		833	673
– Sewerage network		1,007	601
– Swimming pools		55	47
– Other open space/recreational assets		297	287
– Aerodrome		125	106
<b>Other assets:</b>			
– Heritage collections		1	1
– Library books		18	24
– Other		114	114
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Tip assets	C1-6	334	13
– Quarry assets	C1-6	4	4
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>7,423</b>	<b>6,546</b>

### Accounting policy

#### Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note C1-6 for IPPE assets.

#### 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 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

<b>\$ '000</b>	<b>2022</b>	<b>2021</b>
<b>Impairment of receivables</b>		
Other	17	5
<b>Total impairment of receivables</b>	<b>17</b>	<b>5</b>
<b>Other</b>		
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	201	260
Donations, contributions and assistance to other organisations (Section 356)		
– Heritage and cultural programs	10	27
– Public halls and community facilities	20	14
– Riverina and Murray Regional Organisation of Councils	17	17
– Sporting grounds	60	63
– Swimming pools	148	148
– Tourism and area promotion	72	34
– Other	37	1
<b>Total other</b>	<b>565</b>	<b>564</b>
<b>Total other expenses</b>	<b>582</b>	<b>569</b>

#### 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**

<b>\$ '000</b>	<b>Notes</b>	<b>2022</b>	<b>2021</b>
<b>Gain (or loss) on disposal of property (excl. investment property)</b>			
Less: carrying amount of property assets sold/written off		—	—
<b>Gain (or loss) on disposal</b>		<b>—</b>	<b>—</b>
<b>Gain (or loss) on disposal of plant and equipment</b>	C1-6		
Proceeds from disposal – plant and equipment		190	448
Less: carrying amount of plant and equipment assets sold/written off		(23)	(67)
<b>Gain (or loss) on disposal</b>		<b>167</b>	<b>381</b>
<b>Gain (or loss) on disposal of infrastructure</b>	C1-6		
Proceeds from disposal – infrastructure		—	—
Less: carrying amount of infrastructure written off		(1,376)	(1,692)
<b>Gain (or loss) on disposal</b>		<b>(1,376)</b>	<b>(1,692)</b>
<b>Gain (or loss) on disposal of real estate assets held for sale</b>	C1-5		
Proceeds from disposal – real estate assets		375	83
Less: carrying amount of real estate assets sold/written off		(286)	(7)
<b>Gain (or loss) on disposal</b>		<b>89</b>	<b>76</b>
<b>Net gain (or loss) from disposal of assets</b>		<b>(1,120)</b>	<b>(1,235)</b>

**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 23 June 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 the 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 -----	
<b>Revenues</b>				
<b>Rates and annual charges</b>	<b>11,106</b>	<b>11,234</b>	<b>128</b>	<b>1% F</b>
<b>User charges and fees</b>	<b>1,911</b>	<b>2,514</b>	<b>603</b>	<b>32% F</b>
Council budgets for fees and charges conservatively as user charges and fees is not a guaranteed income source and can vary year on year. Allocating a conservative budget ensures that Council does not over spend during the year. Council has continued to see a high volume of Development Applications this financial year, however this income is not guaranteed.				
<b>Other revenues</b>	<b>726</b>	<b>468</b>	<b>(258)</b>	<b>(36)% U</b>
The major variance in other revenues is due to no sales of high security water.				
<b>Operating grants and contributions</b>	<b>6,633</b>	<b>9,060</b>	<b>2,427</b>	<b>37% F</b>
This budget variance is largely due to the Financial Assistance Grant upfront payment of 75%, it is also attributable to receiving grant funding during the year that was not available or announced before the 2022 Financial Year budget was set.				
<b>Capital grants and contributions</b>	<b>2,482</b>	<b>3,734</b>	<b>1,252</b>	<b>50% F</b>
Council only allocate a budget line for Grant Funding once a formal approval of the Grant application is received and a Funding Deed is provided. As Council applies for and receives various grants throughout the year this causes this budget line to vary depending on the Grant Funding available throughout the year.				
<b>Interest and investment revenue</b>	<b>784</b>	<b>182</b>	<b>(602)</b>	<b>(77)% U</b>
Council did not budget accordingly for record low interest rates.				
<b>Other income</b>	<b>—</b>	<b>183</b>	<b>183</b>	<b>∞ F</b>
Council does not budget for other income.				



**B5-1 Material budget variations (continued)**

\$ '000	2022 Budget	2022 Actual	2022 ----- Variance -----	
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**Expenses**

**Employee benefits and on-costs** 4,815 9,013 (4,198) (87)% **U**

In the original detailed budget adopted by Council that is uploaded into the Long Term Financial Plan (LTFP) the employee benefits and on-costs budget was set at \$9,597,175. There has been a mapping issue identified within the LTFP that is mapping employee benefits incorrectly the income statement and therefore is showing a large variance in the financial statements. However, the actual variance compared to what was budgeted in the 2022 financial year is \$584,000. This represents a 6% variance compared to actuals and is therefore not material. Council will endeavour to fix the mapping issue going forward.

**Materials and services** 7,068 7,067 1 0% **F**

**Borrowing costs** 132 45 87 66% **F**

The original budget includes internal borrowing costs.

**Depreciation, amortisation and impairment of non-financial assets** 6,429 7,423 (994) (15)% **U**

Council is currently revaluing their assets on a regular basis and with current inflation costs has not accounted for the large increase in the cost of some asset classes.

**Other expenses** 2,936 582 2,354 80% **F**

Council did not budget for other expenses accordingly.

**Net losses from disposal of assets** – 1,120 (1,120) ∞ **U**

Council does not budget for net losses from disposal of assets.

**Statement of cash flows**

**Cash flows from operating activities** 8,721 10,469 1,748 20% **F**

**Cash flows from investing activities** (20,504) (7,125) 13,379 (65)% **F**

Council budgeted for replacement of Water Treatment Plants that is still a work in progress at 30 June 2022 and has been carried forward to next financial year.

**Cash flows from financing activities** (81) (644) (563) 695% **U**

Council made an error in it's cash flows from financing activities and did not budget loan repayments accordingly.



## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

\$ '000	2022	2021
<b>Cash assets</b>		
Cash at bank and on hand	17,384	14,684
<b>Total cash and cash equivalents</b>	<b>17,384</b>	<b>14,684</b>

#### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	17,384	14,684
<b>Balance as per the Statement of Cash Flows</b>	<b>17,384</b>	<b>14,684</b>

#### 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 Current	2022 Non-current	2021 Current	2021 Non-current
<b>Debt securities at amortised cost</b>				
Long term deposits	26,084	–	28,026	–
<b>Total financial investments</b>	<b>26,084</b>	<b>–</b>	<b>28,026</b>	<b>–</b>
<b>Total cash assets, cash equivalents and investments</b>	<b>43,468</b>	<b>–</b>	<b>42,710</b>	<b>–</b>

#### 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 and 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.



## C1-2 Financial investments (continued)

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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.

### **Financial assets through profit or loss**

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, 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		
<b>Total cash, cash equivalents and investments</b>	<b>43,468</b>	42,710
Less: Externally restricted cash, cash equivalents and investments	<u>(31,837)</u>	<u>(30,709)</u>
<b>Cash, cash equivalents and investments not subject to external restrictions</b>	<b>11,631</b>	12,001
<b>External restrictions</b>		
<b>External restrictions – included in liabilities</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Specific purpose unexpended grants – general fund	<u>951</u>	<u>1,114</u>
<b>External restrictions – included in liabilities</b>	<b>951</b>	1,114
<b>External restrictions – other</b>		
External restrictions included in cash, cash equivalents and investments above comprise:		
Developer contributions – general	955	847
Specific purpose unexpended grants (recognised as revenue) – general fund	453	55
Water fund	19,909	19,936
Sewer fund	4,508	3,949
Domestic waste management	5,061	4,808
<b>External restrictions – other</b>	<b>30,886</b>	29,595
<b>Total external restrictions</b>	<b>31,837</b>	30,709

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.



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

<b>\$ '000</b>	<b>2022</b>	<b>2021</b>
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**(b) Internal allocations****Cash, cash equivalents and investments not subject to external restrictions**

<b>11,631</b>	<b>12,001</b>
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Less: Internally restricted cash, cash equivalents and investments

<b>(3,497)</b>	<b>(4,599)</b>
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**Unrestricted and unallocated cash, cash equivalents and investments**

<b>8,134</b>	<b>7,402</b>
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**Internal allocations**

At 30 June, Council has internally allocated funds to the following:

Plant and vehicle replacement	<b>1,549</b>	1,639
Employees leave entitlement	<b>289</b>	389
Aerodrome	<b>264</b>	381
Capital works reserve	<b>653</b>	1,203
Information technology	<b>292</b>	550
Levee bank construction	<b>13</b>	–
Risk management	<b>363</b>	363
Tourism events	<b>74</b>	74
<b>Total internal allocations</b>	<b>3,497</b>	<b>4,599</b>

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

<b>\$ '000</b>	<b>2022</b>	<b>2021</b>
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**(c) Unrestricted and unallocated****Unrestricted and unallocated cash, cash equivalents and investments**

<b>8,134</b>	<b>7,402</b>
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## C1-4 Receivables

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Rates and annual charges	485	–	474	–
User charges and fees	452	–	328	–
Accrued revenues				
– Interest on investments	91	–	114	–
– Other income accruals	179	–	180	–
Government grants and subsidies	1,439	–	1,850	–
Net GST receivable	8	–	10	–
Other debtors	220	–	–	–
<b>Total net receivables</b>	<b>2,874</b>	<b>–</b>	<b>2,956</b>	<b>–</b>

### Externally restricted receivables

#### Water supply

– Rates and availability charges	254	–	172	–
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#### Sewerage services

– Rates and availability charges	91	–	86	–
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<b>Total external restrictions</b>	<b>345</b>	<b>–</b>	<b>258</b>	<b>–</b>
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<b>Unrestricted receivables</b>	<b>2,529</b>	<b>–</b>	<b>2,698</b>	<b>–</b>
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<b>Total net receivables</b>	<b>2,874</b>	<b>–</b>	<b>2,956</b>	<b>–</b>
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### Accounting policy

Receivables are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

### Impairment

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 120 days 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.

### COVID-19

Council's rate and user charges collections have not been impacted by the COVID-19 pandemic and are comparable to prior years, therefore no adjustment has been made to the impairment provision.



## C1-5 Inventories

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>(i) Inventories at cost</b>				
Real estate for resale	521	—	12	—
Stores and materials	239	—	218	—
<b>Total inventories</b>	<b>760</b>	<b>—</b>	<b>230</b>	<b>—</b>

## Externally restricted assets

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>Water</b>				
Stores and materials	103	—	85	—
<b>Total water</b>	<b>103</b>	<b>—</b>	<b>85</b>	<b>—</b>
<b>Sewerage</b>				
Stores and materials	9	—	12	—
<b>Total sewerage</b>	<b>9</b>	<b>—</b>	<b>12</b>	<b>—</b>
<b>Total externally restricted assets</b>	<b>112</b>	<b>—</b>	<b>97</b>	<b>—</b>
<b>Total unrestricted assets</b>	<b>648</b>	<b>—</b>	<b>133</b>	<b>—</b>
<b>Total inventories</b>	<b>760</b>	<b>—</b>	<b>230</b>	<b>—</b>



## C1-5 Inventories (continued)

## (i) Other disclosures

\$ '000	Notes	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>(a) Details for real estate development</b>					
Residential		521	–	12	–
<b>Total real estate for resale</b>		<b>521</b>	<b>–</b>	<b>12</b>	<b>–</b>
(Valued at the lower of cost and net realisable value)					
<b>Represented by:</b>					
Acquisition costs		521	–	12	–
<b>Total costs</b>		<b>521</b>	<b>–</b>	<b>12</b>	<b>–</b>
<b>Total real estate for resale</b>		<b>521</b>	<b>–</b>	<b>12</b>	<b>–</b>
<b>Movements:</b>					
Real estate assets at beginning of the year		12	–	18	–
– Purchases and other costs		605	–	1	–
– Transfers in from (out to) Note C1-6		190	–	–	–
– WDV of sales (expense)	B4-1	(286)	–	(7)	–
<b>Total real estate for resale</b>		<b>521</b>	<b>–</b>	<b>12</b>	<b>–</b>

**Accounting policy****Raw materials and stores**

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.

**Land held for resale**

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

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



## 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 <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreci- ation expense	WIP transfers	Adjustment s and transfers	Tfrs from/(to) real estate assets (Note C1-5)	Revalu- ation decrements to equity (ARR)	Revalu- ation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>															
Capital work in progress	6,968	–	6,968	1,954	151	–	–	(6,391)	–	(164)	–	–	2,518	–	2,518
Plant and equipment	8,243	(4,631)	3,612	–	536	(23)	(915)	–	–	–	–	–	8,372	(5,160)	3,212
Office equipment	737	(638)	99	–	10	–	(23)	–	–	–	–	–	747	(661)	86
<b>Land:</b>															
– Operational land	6,424	–	6,424	–	332	–	–	–	–	(26)	–	1,123	7,853	–	7,853
– Community land	1,026	–	1,026	–	–	–	–	161	–	–	(217)	–	970	–	970
– Crown land	2,396	–	2,396	–	–	–	–	–	–	–	(143)	–	2,253	–	2,253
– Land under roads (post 30/6/08)	109	–	109	–	–	–	–	–	–	–	(21)	–	88	–	88
Land improvements – depreciable	847	(346)	501	–	–	–	(54)	–	–	–	–	–	847	(399)	448
<b>Infrastructure:</b>															
– Buildings – non-specialised	650	(6)	644	–	–	–	(9)	–	–	–	–	63	729	(30)	699
– Buildings – specialised	46,276	(13,932)	32,344	35	414	(111)	(616)	1,884	–	–	–	3,210	53,515	(16,355)	37,160
– Roads	176,249	(25,543)	150,706	2,550	647	(1,000)	(2,636)	2,830	–	–	–	1,243	183,562	(29,221)	154,341
– Bridges & Culverts	12,114	(5,111)	7,003	–	12	–	(84)	–	–	–	–	20	12,165	(5,213)	6,952
– Footpaths	4,960	(1,133)	3,827	–	196	(51)	(70)	203	–	–	–	138	5,440	(1,196)	4,244
– Bulk earthworks (non-depreciable)	12,195	–	12,195	–	–	–	–	–	–	–	–	358	12,553	–	12,553
– Stormwater drainage	25,421	(5,435)	19,986	–	227	(6)	(228)	297	–	–	–	954	26,103	(4,874)	21,229
– Water supply network	51,386	(17,201)	34,185	–	126	(35)	(833)	311	–	–	–	988	53,860	(19,118)	34,742
– Sewerage network	61,529	(19,993)	41,536	395	7	(15)	(1,007)	415	–	–	–	3,715	66,853	(21,806)	45,047
– Swimming pools	3,330	(1,394)	1,936	–	–	–	(55)	–	–	–	–	158	3,608	(1,569)	2,039
– Other open space/recreational assets	10,782	(3,025)	7,757	–	443	(119)	(297)	290	–	–	–	597	12,188	(3,517)	8,671
– Aerodrome	10,853	(4,453)	6,400	325	–	–	(125)	–	295	–	–	149	11,940	(4,896)	7,044
<b>Other assets:</b>															
– Heritage collections	75	(7)	68	–	–	–	(1)	–	–	–	–	6	81	(9)	72
– Library books	175	(49)	126	–	31	(39)	(18)	–	–	–	–	–	120	(20)	100
– Other	5,294	(2,193)	3,101	447	183	–	(114)	–	(295)	–	–	158	5,666	(2,186)	3,480
<b>Reinstatement, rehabilitation and restoration assets :</b>															
– Tip assets	447	(105)	342	–	–	–	(334)	–	–	–	–	173	3,555	(3,374)	181
– Quarry assets	46	(38)	8	–	–	–	(4)	–	–	–	(4)	–	37	(37)	–
<b>Total infrastructure, property, plant and equipment</b>	<b>448,532</b>	<b>(105,233)</b>	<b>343,299</b>	<b>5,706</b>	<b>3,315</b>	<b>(1,399)</b>	<b>(7,423)</b>	<b>–</b>	<b>–</b>	<b>(190)</b>	<b>(385)</b>	<b>13,053</b>	<b>475,623</b>	<b>(119,641)</b>	<b>355,982</b>

(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 <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>														
Capital work in progress	3,774	–	3,774	1,934	3,424	–	–	(2,164)	–	–	–	6,968	–	6,968
Plant and equipment	8,731	(5,220)	3,511	–	1,059	(46)	(911)	–	–	–	–	8,243	(4,631)	3,612
Office equipment	711	(614)	97	–	26	–	(23)	–	(1)	–	–	737	(638)	99
<b>Land:</b>														
– Operational land	7,264	–	7,264	–	495	–	–	–	(1,040)	(295)	–	6,424	–	6,424
– Community land	283	–	283	–	–	–	–	–	743	–	–	1,026	–	1,026
– Crown land	2,775	–	2,775	–	–	–	–	–	297	(676)	–	2,396	–	2,396
– Land under roads (post 30/6/08)	109	–	109	–	–	–	–	–	–	–	–	109	–	109
Land improvements – depreciable	847	(292)	555	–	–	–	(54)	–	–	–	–	847	(346)	501
<b>Infrastructure:</b>														
– Buildings – non-specialised	677	(5)	672	–	–	–	(11)	–	–	(17)	–	650	(6)	644
– Buildings – specialised	45,130	(13,478)	31,652	207	1,269	(349)	(638)	9	–	–	203	46,276	(13,932)	32,344
– Roads	159,725	(45,674)	114,051	2,136	–	(514)	(2,615)	504	–	–	37,649	176,249	(25,543)	150,706
– Bridges	7,970	(4,662)	3,308	–	–	–	(108)	–	(1)	–	3,804	12,114	(5,111)	7,003
– Footpaths	4,781	(1,286)	3,495	–	226	(17)	(74)	–	–	–	197	4,960	(1,133)	3,827
– Bulk earthworks (non-depreciable)	3,431	–	3,431	–	–	–	–	–	–	–	8,764	12,195	–	12,195
– Stormwater drainage	23,379	(5,114)	18,265	–	98	–	(242)	69	1	–	1,864	25,421	(5,435)	19,986
– Water supply network	62,652	(16,989)	45,663	1,874	–	(149)	(673)	1,577	1	(12,531)	–	51,386	(17,201)	34,185
– Sewerage network	62,024	(17,101)	44,923	104	–	(95)	(601)	–	–	(2,795)	–	61,529	(19,993)	41,536
– Swimming pools	3,295	(1,325)	1,970	–	–	–	(47)	–	(1)	–	14	3,330	(1,394)	1,936
– Other open space/recreational assets	10,125	(2,898)	7,227	1,286	112	(532)	(287)	–	–	(49)	–	10,782	(3,025)	7,757
– Aerodrome	–	–	–	–	–	–	(106)	–	6,338	–	168	10,853	(4,453)	6,400
<b>Other assets:</b>														
– Heritage collections	75	(6)	69	–	–	–	(1)	–	1	–	–	75	(7)	68
– Library books	236	(95)	141	–	30	(20)	(24)	–	(1)	–	–	175	(49)	126
– Other	15,706	(6,345)	9,361	125	346	(37)	(114)	5	(6,337)	(243)	–	5,294	(2,193)	3,101
<b>Reinstatement, rehabilitation and restoration assets (refer Note C3-5):</b>														
– Tip assets	449	(93)	356	–	–	–	(13)	–	–	(2)	–	447	(105)	342
– Quarry assets	46	(34)	12	–	–	–	(4)	–	–	–	–	46	(38)	8
<b>Total infrastructure, property, plant and equipment</b>	<b>424,195</b>	<b>(121,231)</b>	<b>302,964</b>	<b>7,666</b>	<b>7,085</b>	<b>(1,759)</b>	<b>(6,546)</b>	<b>–</b>	<b>–</b>	<b>(16,608)</b>	<b>52,663</b>	<b>448,532</b>	<b>(105,233)</b>	<b>343,299</b>

(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.

Infrastructure, property, plant and equipment are held at fair value. Independent valuations are performed at least every five years, however the carrying amount of assets is assessed 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 a desktop valuation provided by an external valuer, or in accordance with the Rates Reference Manual issued by Crown Lands and Water (CLAW), if no desktop valuation is available.

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

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

#### 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 as follows:

<b>Plant and equipment</b>	<b>Years</b>	<b>Other equipment</b>	<b>Years</b>
Office equipment	5 to 10	Playground equipment	5 to 30
Office furniture	10 to 20	Benches, seats etc.	20 to 60
Computer equipment	4		
Vehicles	5 to 8	<b>Buildings</b>	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	60 to 125
Other plant and equipment	5 to 15	Buildings: other	10 to 195
<b>Water and sewer assets</b>		<b>Stormwater assets</b>	
Dams and reservoirs	80 to 100	Drains	100 to 1000
Bores	20 to 40	Culverts	60 to 100
Reticulation pipes	80 to 130	Flood control structures	80 to 100
Pumps and telemetry	15 to 20		
<b>Transportation assets</b>		<b>Other infrastructure assets</b>	
Road Pavements - Sealed	30 to 200	Airport Assets	20 to 180
Road Pavements - Unsealed	15 to 60	Swimming pools	30 to 120
Road Surface	10 to 85	Other open space/recreational assets	5 to 60
Bridge: concrete	60 to 200	Other infrastructure	15 to 210
Bridge: other	100 to 200	Library books	10
Kerb, gutter and footpaths	15 to 100		

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

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



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

### 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.

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.

## 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
<b>Water supply</b>						
WIP	1,976	–	1,976	561	–	561
Office equipment	7	7	–	7	7	–
Land						
– Operational land	743	–	743	668	–	668
Buildings	279	57	222	14	12	2
Infrastructure	53,860	19,118	34,742	51,643	17,236	34,407
<b>Total water supply</b>	<b>56,865</b>	<b>19,182</b>	<b>37,683</b>	<b>52,893</b>	<b>17,255</b>	<b>35,638</b>
<b>Sewerage services</b>						
WIP	73	–	73	465	–	465
Plant and equipment	163	163	–	163	163	–
Land						
– Operational land	1,512	–	1,512	1,284	–	1,284
Buildings	–	–	–	4	1	3
Infrastructure	66,528	21,762	44,766	61,192	19,944	41,248
<b>Total sewerage services</b>	<b>68,276</b>	<b>21,925</b>	<b>46,351</b>	<b>63,108</b>	<b>20,108</b>	<b>43,000</b>
<b>Total restricted infrastructure, property, plant and equipment</b>	<b>125,141</b>	<b>41,107</b>	<b>84,034</b>	<b>116,001</b>	<b>37,363</b>	<b>78,638</b>



## Infrastructure, property, plant and equipment – current year impairments

<b>\$ '000</b>	<b>2022</b>	<b>2021</b>
<b>(iii) Impairment losses recognised direct to gains/(losses) in P/L:</b>		
Assets Impaired	–	(323)
<b>Impairment of assets – gains/(losses) in P/L</b>	<b>–</b>	<b>(323)</b>



## C2 Leasing activities

### C2-1 Council as a lessee

Council does not have any material leases for the purpose of delivering services to its community. A number of minor leases over Crown lands have been classified as 'peppercorn' leases with annual rentals less than \$2,000 as disclosed in Note C2.

#### (a) Income Statement

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

\$ '000	2022	2021
Expenses relating to Peppercorn leases	–	1
	<u>–</u>	<u>1</u>

#### (b) Statement of Cash Flows

Total cash outflow for leases	–	1
	<u>–</u>	<u>1</u>

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

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

- Community Services
- Second Hand Store/Car Park

The leases are generally between 5 and 30 years and require payments of a maximum amount of \$1,250 per year.

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

#### Accounting policy

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

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

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

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives 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.



## C2-1 Council as a lessee (continued)

### 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.

## C2-2 Council as a lessor

### Operating leases

Council leases out a number of properties and plant & vehicles to staff and to community groups. These leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E (refer in this note part (v) below) in the Statement of Financial Position.

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

\$ '000	2022	2021
---------	------	------

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

### Operating lease expenses

#### (ii) Assets held as property, plant and equipment

Lease income (excluding variable lease payments not dependent on an index or rate)	183	128
<b>Total income relating to operating leases for Council assets</b>	<b>183</b>	<b>128</b>

### Reconciliation of IPPE assets leased out as operating leases

\$ '000	Land 2022	Land 2021	Buildings & Oth Structures 2022	Buildings & Oth Structures 2021
<b>Opening balance as at 1 July</b>	<b>572</b>	<b>784</b>	<b>6,397</b>	<b>6,467</b>
Additions new assets	—	—	2,049	—
Depreciation expense	—	—	(163)	(91)
Revaluation decrements to equity (ARR)	—	(212)	—	—
Revaluation increments to equity (ARR)	59	—	460	21
<b>Closing balance as at 30 June</b>	<b>631</b>	<b>572</b>	<b>8,743</b>	<b>6,397</b>

### Accounting policy

When Council is a lessor, the lease is classified as either an operating or finance lease at inception date, based on whether substantially all of the risks and rewards incidental to ownership of the asset have been transferred to the lessee. If the risks and rewards have been transferred then the lease is classified as a finance lease, otherwise it is an operating lease.

When Council has a sub-lease over an asset and is the intermediate lessor then the head lease and sub-lease are accounted for separately. The classification of the sub-lease is based on the right-of-use asset which arises from the head lease rather than the useful life of the underlying asset.

If the lease contains lease and non-lease components, the non-lease components are accounted for in accordance with AASB 15 *Revenue from Contracts with Customers*.

The lease income is recognised on a straight-line basis over the lease term for an operating lease and as finance income using amortised cost basis for finance leases.



## C3 Liabilities of Council

### C3-1 Payables

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Goods and services – operating expenditure	1,206	–	749	–
Accrued expenses:				
– Salaries and wages	232	–	211	–
– Other expenditure accruals	10	–	40	–
Security bonds, deposits and retentions	373	–	353	–
Prepaid rates	353	–	336	–
<b>Total payables</b>	<b>2,174</b>	<b>–</b>	<b>1,689</b>	<b>–</b>

#### Payables relating to restricted assets

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>Externally restricted assets</b>				
Water	248	–	63	–
Payables relating to externally restricted assets	248	–	63	–
<b>Total payables relating to restricted assets</b>	<b>248</b>	<b>–</b>	<b>63</b>	<b>–</b>
<b>Total payables relating to unrestricted assets</b>	<b>1,926</b>	<b>–</b>	<b>1,626</b>	<b>–</b>
<b>Total payables</b>	<b>2,174</b>	<b>–</b>	<b>1,689</b>	<b>–</b>

#### 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
<b>Grants and contributions received in advance:</b>					
Unexpended capital grants (to construct Council controlled assets)	(i)	951	–	1,064	–
<b>Total contract liabilities</b>		<b>951</b>	<b>–</b>	<b>1,064</b>	<b>–</b>

#### Notes

(i) Council has received funding to construct assets including sporting facilities, library extensions 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.

(ii) The contract liability relates to grants received prior to the revenue recognition criteria in AASB 15 or AASB 1058 being satisfied since the performance obligations are ongoing.



## C3-2 Contract Liabilities (continued)

### Contract liabilities relating to restricted assets

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>Externally restricted assets</b>				
Unspent grants held as contract liabilities (excl. Water & Sewer)	951	–	1,064	–
<b>Total contract liabilities</b>	<b>951</b>	<b>–</b>	<b>1,064</b>	<b>–</b>



### C3-2 Contract Liabilities (continued)

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

\$ '000	2022	2021
<b>Grants and contributions received in advance:</b>		
Capital grants (to construct Council controlled assets)	1,064	622
<b>Total revenue recognised that was included in the contract liability balance at the beginning of the period</b>	<b>1,064</b>	<b>622</b>

#### Significant changes in contract liabilities

There has been no significant changes in the value of contract liabilities compared to the previous year.

#### Accounting policy

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

### C3-3 Borrowings

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
Loans – secured <sup>1</sup>	659	4,109	644	4,768
<b>Total borrowings</b>	<b>659</b>	<b>4,109</b>	<b>644</b>	<b>4,768</b>

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

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note E1-1.

#### Borrowings relating to restricted assets

\$ '000	2022 Current	2022 Non-current	2021 Current	2021 Non-current
<b>Externally restricted assets</b>				
Water	382	3,087	376	3,486
<b>Total borrowings relating to restricted assets</b>	<b>382</b>	<b>3,087</b>	<b>376</b>	<b>3,486</b>
<b>Total borrowings relating to unrestricted assets</b>	<b>277</b>	<b>1,022</b>	<b>268</b>	<b>1,282</b>
<b>Total borrowings</b>	<b>659</b>	<b>4,109</b>	<b>644</b>	<b>4,768</b>



### C3-3 Borrowings (continued)

#### Changes in liabilities arising from financing activities

	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
\$ '000							
Loans – secured	5,412	(644)	–	–	–	–	4,768
<b>Total liabilities from financing activities</b>	<b>5,412</b>	<b>(644)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4,768</b>

	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
\$ '000							
Loans – secured	1,826	(414)	4,000	–	–	–	5,412
<b>Total liabilities from financing activities</b>	<b>1,826</b>	<b>(414)</b>	<b>4,000</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5,412</b>

#### 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 Current	2022 Non-current	2021 Current	2021 Non-current
Annual leave	794	–	896	–
Long service leave	508	594	1,392	159
Other leave	140	–	106	–
ELE on-costs	165	47	260	13
<b>Total employee benefit provisions</b>	<b>1,607</b>	<b>641</b>	<b>2,654</b>	<b>172</b>

#### 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	506	1,610
	<b>506</b>	<b>1,610</b>

#### Description of and movements in provisions

\$ '000	ELE provisions				Total
	Annual leave	Long service leave	ELE on-costs	Other employee benefits	
<b>2022</b>					
At beginning of year	896	1,551	273	106	2,826
Additional provisions	–	–	–	34	34
Amounts used (payments)	(102)	(446)	8	–	(540)
Other	–	(3)	(69)	–	(72)
<b>Total ELE provisions at end of year</b>	<b>794</b>	<b>1,102</b>	<b>212</b>	<b>140</b>	<b>2,248</b>
<b>2021</b>					
At beginning of year	824	1,680	195	94	2,793
Additional provisions	72	–	78	12	162
Amounts used (payments)	–	(129)	–	–	(129)
<b>Total ELE provisions at end of year</b>	<b>896</b>	<b>1,551</b>	<b>273</b>	<b>106</b>	<b>2,826</b>

#### 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



### C3-4 Employee benefit provisions (continued)

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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 Current	2022 Non-Current	2021 Current	2021 Non-Current
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	466	76	34	562
<b>Total provisions</b>	<b>466</b>	<b>76</b>	<b>34</b>	<b>562</b>

### Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
<b>2022</b>		
At beginning of year	596	596
Unwinding of discount	(54)	(54)
Total other provisions at end of year	542	542
<b>2021</b>		
At beginning of year	597	597
Unwinding of discount	(2)	(2)
Total other provisions at end of year	595	595



## C3-5 Provisions (continued)

### Nature and purpose of provisions

#### Asset remediation

Council has a legal/public obligation to make, restore, rehabilitate and reinstate the Council tip and quarry.

#### 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

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The 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.

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 infrastructure, 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

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#### **IPPE Revaluation reserve**

IPPE revaluation reserve is used to record increments / decrements of non-current asset values due to their revaluation.



## 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
<b>Income from continuing operations</b>			
Rates and annual charges	6,849	2,174	2,211
User charges and fees	1,354	1,083	77
Interest and investment revenue	29	78	75
Other revenues	(440)	862	46
Grants and contributions provided for operating purposes	9,060	—	—
Grants and contributions provided for capital purposes	3,643	77	14
Other income	183	—	—
<b>Total income from continuing operations</b>	<b>20,678</b>	<b>4,274</b>	<b>2,423</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	8,266	412	335
Materials and services	4,767	1,321	979
Borrowing costs	(48)	93	—
Depreciation, amortisation and impairment of non-financial assets	5,563	850	1,010
Other expenses	17	340	225
Net losses from the disposal of assets	1,070	35	15
<b>Total expenses from continuing operations</b>	<b>19,635</b>	<b>3,051</b>	<b>2,564</b>
<b>Net operating result for the year</b>	<b>1,043</b>	<b>1,223</b>	<b>(141)</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>(2,600)</b>	<b>1,146</b>	<b>(155)</b>



## D1-2 Statement of Financial Position by fund

\$ '000	General 2022	Water 2022	Sewer 2022
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9,011	7,865	508
Investments	10,040	12,044	4,000
Receivables	2,187	254	433
Inventories	648	103	9
Other	51	—	—
<b>Total current assets</b>	<b>21,937</b>	<b>20,266</b>	<b>4,950</b>
<b>Non-current assets</b>			
Receivables	(2,922)	—	2,922
Infrastructure, property, plant and equipment	271,948	37,683	46,351
<b>Total non-current assets</b>	<b>269,026</b>	<b>37,683</b>	<b>49,273</b>
<b>Total assets</b>	<b>290,963</b>	<b>57,949</b>	<b>54,223</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	1,926	248	—
Contract liabilities	951	—	—
Borrowings	30	629	—
Employee benefit provision	1,607	—	—
Provisions	466	—	—
<b>Total current liabilities</b>	<b>4,980</b>	<b>877</b>	<b>—</b>
<b>Non-current liabilities</b>			
Borrowings	(1,088)	5,197	—
Employee benefit provision	641	—	—
Provisions	76	—	—
<b>Total non-current liabilities</b>	<b>(371)</b>	<b>5,197</b>	<b>—</b>
<b>Total liabilities</b>	<b>4,609</b>	<b>6,074</b>	<b>—</b>
<b>Net assets</b>	<b>286,354</b>	<b>51,875</b>	<b>54,223</b>
<b>EQUITY</b>			
Accumulated surplus	91,530	28,351	10,641
Revaluation reserves	194,824	23,524	43,582
<b>Total equity</b>	<b>286,354</b>	<b>51,875</b>	<b>54,223</b>



## D1-3 Details of internal loans

Council has the below Internal Loans to disclose in accordance with s410(3) of the *Local Government Act 1993*.

Details of individual internal loans	Loan 395	Loan 390
Borrower (by purpose)	General Fund	Water Fund
Lender (by purpose)	Sewer Fund	Sewer Fund
Sewer Fund to Water Fund - Finley Water Treatment Plant		
Date of Minister's approval	10/09/2019	10/09/2019
Date raised	30/06/2021	30/06/2021
Sewer Fund to General Fund - Tocumwal Foreshore Building		
Term years	10	10
Dates of maturity	30/06/2031	30/06/2031
Rate of interest (%)	1.48	1.48
Amount originally raised (\$'000)	\$1,000	\$2,600



## E Risks and accounting uncertainties

### E1-1 Risks relating to financial instruments held

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

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

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

Financial risk management is carried out by Council's finance section under policies approved by the Council.

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

\$ '000	Carrying value 2022	Carrying value 2021	Fair value 2022	Fair value 2021
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Cash and cash equivalents	17,384	14,684	17,384	14,684
Receivables	2,874	2,956	2,874	2,956
Investments				
– Debt securities at amortised cost	26,084	28,026	26,084	28,026
<b>Total financial assets</b>	<b>46,342</b>	<b>45,666</b>	<b>46,342</b>	<b>45,666</b>
<b>Financial liabilities</b>				
Payables	2,174	1,689	2,174	1,689
Loans/advances	4,768	5,412	4,768	5,412
<b>Total financial liabilities</b>	<b>6,942</b>	<b>7,101</b>	<b>6,942</b>	<b>7,101</b>

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings and held-to-maturity investments** – are based upon estimated future cash flows discounted by the current 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 with the assistance of independent advisors.

Council has an investment policy which complies with the *Local Government Act 1993* and the Ministerial investment order made subject to Section 265. 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.
- **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 investing only in term deposits, in line with Council's Financial Strategy 2021.



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

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

<b>\$ '000</b>	<b>2022</b>	<b>2021</b>
<p>The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.</p>		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	<b>435</b>	280
Impact of a 10% movement in price of investments		
– Equity / Income Statement	<b>–</b>	–



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

### (b) Credit risk

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

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures.

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.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

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 < 5 years	≥ 5 years	Total
<b>2022</b>				
Gross carrying amount	–	477	8	485
<b>2021</b>				
Gross carrying amount	–	451	23	474

##### Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	0 - 30 days	Overdue debts 31 - 60 days	61 - 90 days	> 91 days	Total
<b>2022</b>						
Gross carrying amount	1,938	346	(8)	1	112	2,389
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ECL provision	–	–	–	–	–	–
<b>2021</b>						
Gross carrying amount	2,148	2	22	181	129	2,482
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ECL provision	–	–	–	–	–	–



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

### (c) Liquidity risk

Payables, lease liabilities and borrowings are both subject to liquidity risk; that is, the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels, and by maintaining an adequate cash buffer. Payment terms can be extended, and overdraft facilities drawn upon in extenuating circumstances.

Borrowings are also subject to interest rate risk: the risk that movements in interest rates could adversely affect funding costs. Council manages this risk through diversification of borrowing types, maturities and interest rate structures.

The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

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

The amounts disclosed in the table are the undiscounted contracted cash flows for non-lease liabilities (refer to Note C2-1(b) for lease liabilities) and therefore the balances in the table may not equal the balances in the Statement of Financial Position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	payable in: ≤ 1 Year	1 - 5 Years	> 5 Years	Total contractual cashflows	Actual carrying values
<b>2022</b>							
Payables	0.00%	373	1,801	–	–	2,174	2,174
Borrowings	2.68%	–	743	3,014	1,327	5,084	4,768
<b>Total financial liabilities</b>		<b>373</b>	<b>2,544</b>	<b>3,014</b>	<b>1,327</b>	<b>7,258</b>	<b>6,942</b>
<b>2021</b>							
Payables	0.00%	353	1,000	–	–	1,353	1,689
Borrowings	2.20%	–	644	1,139	3,629	5,412	5,412
<b>Total financial liabilities</b>		<b>353</b>	<b>1,644</b>	<b>1,139</b>	<b>3,629</b>	<b>6,765</b>	<b>7,101</b>

### Loan agreement breaches

There have been no breaches to loan agreements during the reporting year.



## E2-1 Fair value measurement

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

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

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes. AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

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

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

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

Fair value measurement hierarchy									
\$ '000	Notes	Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2022	2021	2022	2021	2022	2021	2022	2021
Recurring fair value measurements									
Infrastructure, property, plant and equipment	C1-6								
Plant and equipment		30/06/22	30/06/21	—	—	3,212	3,612	3,212	3,612
Office equipment		30/06/22	30/06/21	—	—	86	99	86	99
Operational land		30/06/22	30/06/21	7,853	—	—	6,424	7,853	6,424
Community land		30/06/22	30/06/21	—	—	970	1,026	970	1,026
Crown Land		30/06/22	30/06/21	—	—	2,253	2,396	2,253	2,396
Land under roads (post 30/06/08)		30/06/22	30/06/21	—	—	88	109	88	109
Land improvements – depreciable		30/06/15	30/06/15	—	—	448	501	448	501
Buildings – non-specialised		30/06/22	30/06/21	699	—	—	644	699	644
Buildings – specialised		30/06/22	30/06/21	—	—	37,160	32,344	37,160	32,344
Roads		30/06/22	30/06/21	—	—	154,341	150,706	154,341	150,706
Bridges		30/06/22	30/06/21	—	—	6,952	7,003	6,952	7,003
Footpaths		30/06/22	30/06/21	—	—	4,244	3,827	4,244	3,827
Bulk earthworks		30/06/22	30/06/21	—	—	12,553	12,195	12,553	12,195
Stormwater drainage		30/06/22	30/06/21	—	—	21,229	19,986	21,229	19,986
Water supply network		30/06/22	30/06/21	—	—	34,742	34,185	34,742	34,185
Sewer network		30/06/22	30/06/21	—	—	45,047	41,536	45,047	41,536
Swimming pools		30/06/22	30/06/21	—	—	2,039	1,936	2,039	1,936
Open Space		30/06/22	30/06/21	—	—	8,671	7,757	8,671	7,757
Aerodrome		30/06/22	30/06/21	—	—	7,044	6,400	7,044	6,400
Heritage collections		30/06/22	30/06/21	—	—	72	68	72	68
Library books		30/06/18	30/06/18	—	—	100	126	100	126
Other assets		30/06/22	30/06/21	—	—	3,480	3,101	3,480	3,101
Tip assets		30/06/22	30/06/21	—	—	181	342	181	342
Quarry assets		30/06/22	30/06/21	—	—	—	8	—	8
Total infrastructure, property, plant and equipment				8,552	—	344,912	336,331	353,464	336,331

### Non-recurring fair value measurements

### Transfers between level 1 and level 2 fair value hierarchies

Council's policy for determining transfers between fair value hierarchies is at the end of the reporting period.



## E2-1 Fair value measurement (continued)

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There was a transfer out of level 3 and into level 2 for buildings - non-specialised and operational land as these were subject to a comprehensive revaluation as at 30 June 2022.



## E2-1 Fair value measurement (continued)

### Valuation techniques

Where Council is unable to derive fair valuations using quoted market prices of identical assets (i.e. 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:

#### Infrastructure, property, plant and equipment (IPPE)

**Plant and Equipment:** Major plant (graders, loaders, etc.), fleet vehicles (cars, utes, etc.) and minor plant (chainsaws, mowers etc.)

Valuation technique – “Cost approach”

Inputs used (Level 3) – Fair value is approximated by depreciated historical cost.

**Office Equipment:** Computers, office furniture

Valuation technique – “Cost approach”

Inputs used (Level 3) – Fair value is approximated by depreciated historical cost.

**Operational land:** Land under Council offices, depots, libraries, water and sewer treatment plants etc.

Valuation technique – “Market approach”

Inputs used (Level 3) – Land area, rate per square metre, zoning, geographical location, sales of comparable land.

Council's operational land has been valued at a market value, involving the inspection and analysis of sales evidence and comparisons with the subject property with adjustment for differences between key attributes of the properties.

Council's operational land assets were valued by APV Valuers and Asset Management Pty Ltd, a registered valuer.

**Community land:** Land under parks, recreation reserves, public halls etc.

Valuation technique – “Market approach”

Inputs used (Level 3) – Land area, rate per square metre, zoning, geographical location, sales of comparable land

Council's operational land has been valued at a market value, involving the inspection and analysis of sales evidence and comparisons with the subject property with adjustment for differences between key attributes of the properties.

Council's community land was valued using the unimproved land value provided by the NSW Valuer General in accordance with Office of Local Government guidance for infrastructure assets.

**Land under roads:** Land under roads acquired since 1 July 2008

Valuation technique – “Market approach”

Inputs used (Level 3) – Land area, rate per square metre, zoning, geographical location, sales of comparable land.

Council's operational land has been valued at a market value, involving the inspection and analysis of sales evidence and comparisons with the subject property with adjustment for differences between key attributes of the properties. As the Council's land under roads assets have no feasible alternate use, significant adjustments to the rate per square meter have been applied to the unobservable inputs and are based on a rate per square metre.

Council's Land under roads were valued by APV Valuers and Asset Management Pty Ltd, a registered valuer.

**Land Improvements** - depreciable: Car parks, netball and tennis courts, fences etc.

Valuation technique – “Cost approach”

Inputs used (Level 3) –, dimensions, specifications. (Level 3) – Unit rates, Condition, Remaining life, Residual value

These assets were valued at depreciated replacement cost. Available market data for recent projects and published cost guides are used to determine the estimated replacement cost of the asset, including preliminaries. A condition assessment is then applied based on factors such as the age of the asset, overall condition and remaining life. In some cases, residual values are factored into the calculation, which is the value at the time the asset is considered to no longer be available.

Council's Land Improvements were valued at depreciated historical cost as a representation of fair value in accordance with Office of Local Government guidance for infrastructure assets.



## E2-1 Fair value measurement (continued)

### **Buildings (Non-specialised):** Residences

Valuation technique – “Market approach”

Inputs used (Level 3) – Sales evidence

Council’s non-specialised buildings have been valued at a market value, involving the inspection and analysis of sales evidence and comparisons with the subject building with adjustment for differences between key attributes of the properties. The land value is then subtracted from the market value of the property to measure the building asset fair value.

Council’s Buildings (non-specialised) were valued by APV Valuers and Asset Management Pty Ltd, a registered valuer.

### **Buildings (Specialised):** Community halls, toilet blocks, Council office, libraries, depot buildings, sheds etc.

Valuation technique – “Cost approach”

Inputs used (Level 3) – Unit rates, dimensions, specifications. (Level 3) – Condition, Remaining life, Residual value

These assets were valued at depreciated replacement cost. Available market data for recent projects and published cost guides are used to determine the estimated replacement cost of the asset, including preliminaries. A condition assessment is then applied based on factors such as the age of the asset, overall condition and remaining life. In some cases, residual values are factored into the calculation, which is the value at the time the asset is considered no longer to be available.

Council’s Buildings (specialised) were valued by APV Valuers and Asset Management Pty Ltd, a registered valuer.

### **Roads, Bridges, Footpaths:** Road surface, pavement, formation, road furniture, bridges, culverts.

Valuation technique – “Cost approach”

Inputs used (Level 3) – Unit rates, useful life, asset condition, specifications.

These assets were valued at depreciated replacement cost. Council’s road infrastructure assets are segmented and componentised into the following categories:

- Seal
- Pavement
- Formation and earthworks
- Culverts
- Road furniture (signs, guideposts, guardrails)

Council has surveyed its entire road network to measure both length and width of pavement and seal.

Council’s roads, bridges and footpath assets were valued by APV Valuers and Asset Management Pty Ltd, a registered valuer.

### **Bulk earthworks:** Levee banks.

Valuation technique – “Cost approach”

Inputs used (Level 3) – Unit rates, dimensions, condition

The unit rates were determined by current replacement cost.

Council’s bulk earthworks were valued by APV Valuers and Asset Management Pty Ltd, a registered valuer.

### **Stormwater drainage:** Kerb and gutter, drainage network, pumps and pump well, retention basins etc.

Valuation technique – “Cost approach”

Inputs used (Level 3) – Unit rates, useful life, asset condition, dimensions and specification

Council has surveyed its entire stormwater drainage network to measure both length and width of pipes and location and depth of pits.

Condition assessments have been applied across the entire drainage network to establish remaining useful lives.

Council’s stormwater drainage were valued by APV Valuers and Asset Management Pty Ltd, a registered valuer.

### **Water Supply Network:** Treatment plants, mains, reservoirs etc.

Valuation technique – “Cost approach”

Inputs used (Level 3) – Unit rates, useful life, asset condition, dimensions and specification



## E2-1 Fair value measurement (continued)

The Council has surveyed its entire sewerage network to measure both length and width of pipes and their location.

Unit rates are based on the NSW References Rates Manual: Valuation of Water Supply, Sewerage and Stormwater Assets, including annual indexation.

Condition assessments were applied to individual assets based on inspection programs, including the use of cameras. Where inspections have not been, or are unable to be, made the life of the asset has been used to estimate condition.

Council's water network assets were valued externally by APV Valuers and Asset Management.

**Sewerage Network:** Sewer pipes, pump stations, treatment plants etc.

Valuation technique – "Cost approach"

Inputs used (Level 3) – Unit rates, useful life, asset condition, dimensions and specification

The Council has surveyed its entire sewerage network to measure both length and width of pipes and location and depth of pits. Unit rates are based on the NSW References Rates Manual: Valuation of Water Supply, Sewerage and Stormwater Assets, including annual indexation.

Condition assessments were applied to individual assets based on inspection programs, including the use of cameras. Where inspections have not been, or are unable to be, made the life of the asset has been used to estimate condition.

Council's sewerage network assets were valued by APV Valuers and Asset Management Pty Ltd, a registered valuer.

### Other Assets

#### Heritage collections:

Valuation technique – "Cost approach"

Inputs used (Level 3) – Fair value is approximated by depreciated historical cost

**Library books:** Books and other collection items.

Valuation technique – "Cost approach"

Inputs used (Level 3) – Fair value is approximated by depreciated historical cost

Library books are valued as bulk annual purchases and depreciated using a standard useful life.

#### Other Assets:

Valuation technique – "Cost approach"

Inputs used (Level 3) – Fair value is approximated by depreciated historical cost

Councils other assets were valued by APV Valuers and Asset Management Pty Ltd, a registered valuer.

#### Tip & Quarry Assets:

Valuation technique – "Cost approach"

Inputs used (Level 3) – Fair value is approximated by depreciated historical cost

Councils tip and quarry assets were valued by APV Valuers and Asset Management Pty Ltd, a registered valuer, and are factored to account for inflation.

#### Open Space Assets:

Valuation technique – "Cost approach"

Inputs used (Level 3) – Fair value is approximated by depreciated historical cost

Council's open space assets were valued by APV Valuers and Asset Management Pty Ltd, a registered valuer.

### Non-current assets classified as 'held for sale'

Assets previously classified as "Held for Sale" are actively being marketed however as they may not sell within 12 months, or indeed for some considerable time they have been transferred to Inventory assets along with all other land being marketed.



## E2-1 Fair value measurement (continued)

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

#### The valuation process for level 3 fair value measurements

The valuation process/es they use for level 3 fair valuation measurements is to use the market or cost approach (as indicated above) to review fair value, where the relationship of unobservable inputs to Fair Value are affected by any change in component pricing and asset condition. Asset valuations are reviewed annually by the Director Infrastructure and the Finance Manager.

#### Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

	Valuation technique/s	Unobservable inputs
<b>Infrastructure, property, plant and equipment</b>		
Plant & Equipment	Cost Approach	<ul style="list-style-type: none"> <li>• Gross Replacement Cost</li> <li>• Remaining Useful Life</li> </ul>
Office Equipment	Cost Approach	<ul style="list-style-type: none"> <li>• Gross Replacement Cost</li> <li>• Remaining Useful Life</li> </ul>
Aerodrome	Cost Approach	<ul style="list-style-type: none"> <li>• Gross Replacement Cost</li> <li>• Remaining Useful Life</li> </ul>
Operational Land	Market Approach	<ul style="list-style-type: none"> <li>• Price per square metre, Land area, zoning, geographical location, sales of comparable land</li> </ul>
Community Land	Market Approach	<ul style="list-style-type: none"> <li>• Price per square metre, Land area, zoning, geographical location, sales of comparable land</li> </ul>
Land under Roads (post 30/06/08)	Market Approach	<ul style="list-style-type: none"> <li>• Price per square metre, Land area, zoning, geographical location, sales of comparable land</li> <li>• Alternate Uses</li> </ul>
Land Improvements - Depreciable	Cost Approach	<ul style="list-style-type: none"> <li>• Unit Rates</li> <li>• Asset Condition</li> <li>• Useful Life</li> </ul>
Buildings – Non Specialised	Market Approach	<ul style="list-style-type: none"> <li>• Unit Rates</li> <li>• Asset Condition</li> <li>• Useful Life</li> </ul>
Buildings - Specialised	Cost Approach	<ul style="list-style-type: none"> <li>• Unit Rates</li> <li>• Asset Condition</li> <li>• Useful Life</li> </ul>
Roads	Cost Approach	<ul style="list-style-type: none"> <li>• Unit Rates</li> <li>• Asset Condition</li> <li>• Useful Life</li> </ul>
Bridges	Cost Approach	<ul style="list-style-type: none"> <li>• Unit Rates</li> <li>• Asset Condition</li> <li>• Useful Life</li> </ul>
Footpaths	Cost Approach	<ul style="list-style-type: none"> <li>• Unit Rates</li> <li>• Asset Condition</li> <li>• Useful Life</li> </ul>
Bulk Earthworks	Cost Approach	<ul style="list-style-type: none"> <li>• Unit Rates</li> <li>• Asset Condition</li> <li>• Useful Life</li> </ul>
Stormwater Drainage	Cost Approach	<ul style="list-style-type: none"> <li>• Unit Rates</li> <li>• Asset Condition</li> <li>• Useful Life</li> </ul>
Water Supply Network	Cost Approach	<ul style="list-style-type: none"> <li>• Unit Rates</li> <li>• Asset Condition</li> <li>• Useful Life</li> </ul>
Sewer Network	Cost Approach	<ul style="list-style-type: none"> <li>• Unit Rates</li> <li>• Asset Condition</li> <li>• Useful Life</li> </ul>



## E2-1 Fair value measurement (continued)

	Valuation technique/s	Unobservable inputs
Swimming Pools	Cost Approach	<ul style="list-style-type: none"> <li>• Unit Rates</li> <li>• Asset Condition</li> <li>• Useful Life</li> </ul>
Heritage Collections	Cost Approach	<ul style="list-style-type: none"> <li>• Unit Rates</li> <li>• Asset Condition</li> <li>• Useful Life</li> </ul>
Library Books	Cost Approach	<ul style="list-style-type: none"> <li>• Unit Rates</li> <li>• Asset Condition</li> <li>• Useful Life</li> </ul>
Other Assets	Cost Approach	<ul style="list-style-type: none"> <li>• Unit Rates</li> <li>• Asset Condition</li> <li>• Useful Life</li> </ul>
Tip & Quarry Assets	Cost Approach	<ul style="list-style-type: none"> <li>• Unit Rates</li> <li>• Asset Condition</li> <li>• Useful Life</li> </ul>

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

	Operational Land		Community Land		Crown Land		Depreciable land improvements	
\$ '000	2022	2021	2022	2021	2022	2021	2022	2021
<b>Opening balance</b>	<b>6,424</b>	7,264	<b>1,026</b>	283	<b>2,396</b>	2,775	<b>501</b>	555
<b>Total gains or losses for the period</b>								
<b>Other movements</b>								
Transfers from/(to) level 2 FV hierarchy	(7,853)	—	—	—	—	—	—	—
Transfers from/(to) another asset class	—	(1,040)	—	743	—	297	—	—
Purchases (Gross Book Value)	332	495	161	—	—	—	—	—
Disposals (Written Down Value)	(26)	—	—	—	—	—	—	—
Depreciation and impairment	—	—	—	—	—	—	(54)	(54)
Revaluation	1,123	(295)	(217)	—	(143)	(676)	—	—
Rounding	—	—	—	—	—	—	1	—
<b>Closing balance</b>	<b>—</b>	<b>6,424</b>	<b>970</b>	<b>1,026</b>	<b>2,253</b>	<b>2,396</b>	<b>448</b>	<b>501</b>

	Land under roads		Buildings non-specialised		Building specialised		Plant and equipment	
\$ '000	2022	2021	2022	2021	2022	2021	2022	2021
<b>Opening balance</b>	<b>109</b>	109	<b>644</b>	672	<b>32,344</b>	31,652	<b>3,612</b>	3,511
<b>Total gains or losses for the period</b>								
<b>Other movements</b>								
Transfers from/(to) level 2 FV hierarchy	—	—	(699)	—	—	—	—	—
Transfers from/(to) another asset class	—	—	—	—	—	—	—	(1)
Purchases (Gross Book Value)	—	—	—	—	2,333	1,476	536	1,059
Disposals (Written Down Value)	—	—	—	—	(111)	(349)	(23)	(46)
Depreciation and impairment	—	—	(9)	(11)	(616)	(638)	(915)	(911)
Revaluation	(21)	—	63	(17)	3,210	203	—	—
Rounding	—	—	1	—	—	—	2	—
<b>Closing balance</b>	<b>88</b>	<b>109</b>	<b>—</b>	<b>644</b>	<b>37,160</b>	<b>32,344</b>	<b>3,212</b>	<b>3,612</b>



## E2-1 Fair value measurement (continued)

\$ '000	Office equipment		Roads		Bridges		Footpaths	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Opening balance</b>	<b>99</b>	97	<b>150,706</b>	114,051	<b>7,003</b>	3,308	<b>3,827</b>	3,495
<b>Total gains or losses for the period</b>								
<b>Other movements</b>								
Transfers from/(to) another asset class	–	(1)	–	(1)	–	(1)	–	–
Purchases (Gross Book Value)	<b>10</b>	26	<b>6,027</b>	2,136	<b>12</b>	–	<b>399</b>	226
Disposals (Written Down Value)	–	–	<b>(1,000)</b>	(514)	–	–	<b>(51)</b>	(17)
Depreciation and impairment	<b>(23)</b>	(23)	<b>(2,636)</b>	(2,615)	<b>(84)</b>	(108)	<b>(70)</b>	(74)
Revaluation	–	–	<b>1,243</b>	37,649	<b>20</b>	3,804	<b>138</b>	197
Rounding	–	–	<b>1</b>	–	<b>1</b>	–	<b>1</b>	–
<b>Closing balance</b>	<b>86</b>	<b>99</b>	<b>154,341</b>	<b>150,706</b>	<b>6,952</b>	<b>7,003</b>	<b>4,244</b>	<b>3,827</b>

\$ '000	Bulk earthworks		Stormwater drainage		Water supply network		Sewerage network	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Opening balance</b>	<b>12,195</b>	3,431	<b>19,986</b>	18,265	<b>34,185</b>	45,663	<b>41,536</b>	44,923
<b>Total gains or losses for the period</b>								
<b>Other movements</b>								
Transfers from/(to) another asset class	–	–	–	1	–	1	–	–
Purchases (Gross Book Value)	–	–	<b>524</b>	98	<b>437</b>	1,874	<b>817</b>	104
Disposals (Written Down Value)	–	–	<b>(6)</b>	–	<b>(35)</b>	(149)	<b>(15)</b>	(95)
Depreciation and impairment	–	–	<b>(228)</b>	(242)	<b>(833)</b>	(673)	<b>(1,007)</b>	(601)
Revaluation	<b>358</b>	8,764	<b>954</b>	1,864	<b>988</b>	(12,531)	<b>3,715</b>	(2,795)
Rounding	–	–	<b>(1)</b>	–	–	–	<b>1</b>	–
<b>Closing balance</b>	<b>12,553</b>	<b>12,195</b>	<b>21,229</b>	<b>19,986</b>	<b>34,742</b>	<b>34,185</b>	<b>45,047</b>	<b>41,536</b>



## E2-1 Fair value measurement (continued)

\$ '000	Swimming pools		Heritage collections		Library books		Other assets	
	2022	2021	2022	2021	2022	2021	2022	2021
<b>Opening balance</b>	<b>1,936</b>	1,970	<b>68</b>	68	<b>126</b>	141	<b>10,858</b>	16,588
<b>Total gains or losses for the period</b>								
<b>Other movements</b>								
Transfers from/(to) another asset class	–	(1)	–	1	–	(1)	(295)	(6,337)
Purchases (Gross Book Value)	–	–	–	–	<b>31</b>	30	<b>1,363</b>	1,869
Disposals (Written Down Value)	–	–	–	–	(39)	(20)	(119)	(569)
Depreciation and impairment	(55)	(47)	(1)	(1)	(18)	(24)	(411)	(401)
Revaluation	<b>158</b>	14	<b>6</b>	–	–	–	<b>755</b>	(292)
Rounding	–	–	(1)	–	–	–	–	–
<b>Closing balance</b>	<b>2,039</b>	1,936	<b>72</b>	68	<b>100</b>	126	<b>12,151</b>	10,858

\$ '000	Tip and quarry assets		Aerodrome		Total	
	2022	2021	2022	2021	2022	2021
<b>Opening balance</b>	<b>350</b>	369	<b>6,400</b>	–	<b>336,331</b>	<b>299,190</b>
Transfers from/(to) level 2 FV hierarchy	–	–	–	–	(8,552)	–
Transfers from/(to) another asset class	–	–	<b>295</b>	6,338	–	(2)
Purchases (Gross Book Value)	–	–	<b>325</b>	–	<b>13,307</b>	<b>9,393</b>
Disposals (Written Down Value)	–	–	–	–	(1,425)	(1,759)
Depreciation and impairment	(338)	(17)	(125)	(106)	(7,423)	(6,546)
Revaluation	<b>169</b>	(2)	<b>149</b>	168	<b>12,668</b>	<b>36,055</b>
Rounding	–	–	–	–	6	–
<b>Closing balance</b>	<b>181</b>	350	<b>7,044</b>	6,400	<b>344,912</b>	<b>336,331</b>

### Information relating to the transfers into and out of the level 3 fair valuation hierarchy includes:

There was a transfer out of level 3 and into level 2 for buildings - non-specialised and operational land as these were subject to a comprehensive revaluation as at 30 June 2022.

### 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 standard employer contributions and additional lump sum 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 7.5% of salaries for the year ending 30 June 2022 (increasing to 8.0% in line with the increase in the Superannuation Guarantee) 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 \$40.0 million per annum for 1 July 2019 to 31 December 2021 and \$20.0 million per annum for 1 January to 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 \$53,854.62. The last valuation of the Scheme was performed by Mr Richard Boyfield, FIAA as at 30 June 2021.



## E3-1 Contingencies (continued)

Council's expected contribution to the plan for the next annual reporting period is \$59,907.84

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 other accumulation accounts and reserves in both assets and liabilities.

The share of this deficit that is broadly attributed to Council is estimated to be in the order of 0.16% as at 30 June 2022.

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	5.5% 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.

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review will be completed by December 2022.

### (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 June 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.

## 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.



## 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.

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

\$ '000	2022	2021
<b>Compensation:</b>		
Short-term benefits	957	629
Post-employment benefits	108	66
Termination benefits	204	–
<b>Total</b>	<b>1,269</b>	<b>695</b>

#### Other transactions with KMP and their related parties

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

There are no other disclosures to be made by KMP.



## F1-2 Councillor and Mayoral fees and associated expenses

<b>\$ '000</b>	<b>2022</b>	<b>2021</b>
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	<b>25</b>	27
Councillors' fees	<b>88</b>	97
Other Councillors' expenses (including Mayor)	<b>63</b>	41
<b>Total</b>	<b>176</b>	<b>165</b>



## F2 Other relationships

### F2-1 Audit fees

\$ '000	2022	2021
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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

	65	65
<b>Total Auditor-General remuneration</b>	<b>65</b>	<b>65</b>

#### Non NSW Auditor-General audit firms

<b>Total audit fees</b>	<b>65</b>	<b>65</b>
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## G Other matters

### G1-1 Statement of Cash Flows information

#### Reconciliation of net operating result to cash provided from operating activities

\$ '000	2022	2021
<b>Net operating result from Income Statement</b>	<b>2,125</b>	6,093
<b>Add / (less) non-cash items:</b>		
Depreciation and amortisation	<b>7,423</b>	6,546
(Gain) / loss on disposal of assets	<b>1,120</b>	1,235
<b>Movements in operating assets and liabilities and other cash items:</b>		
(Increase) / decrease of receivables	<b>82</b>	(1,213)
(Increase) / decrease of inventories	<b>(21)</b>	39
Increase / (decrease) in payables	<b>457</b>	81
Increase / (decrease) in other accrued expenses payable	<b>(9)</b>	47
Increase / (decrease) in other liabilities	<b>37</b>	110
Increase / (decrease) in contract liabilities	<b>(113)</b>	442
Increase / (decrease) in employee benefit provision	<b>(578)</b>	33
Increase / (decrease) in other provisions	<b>(54)</b>	(1)
<b>Net cash flows from operating activities</b>	<b>10,469</b>	13,412



## G2-1 Commitments

### Capital commitments (exclusive of GST)

\$ '000	2022	2021
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Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

#### Property, plant and equipment

Plant and equipment	627	45
Roadworks	71	155
Sewer Infrastructure	–	301
Water infrastructure	8,951	10,604
Economic Development	110	1,250
Land & Buildings	15	677
<b>Total commitments</b>	<b>9,774</b>	<b>13,032</b>

#### These expenditures are payable as follows:

Within the next year	9,774	13,032
<b>Total payable</b>	<b>9,774</b>	<b>13,032</b>

#### Sources for funding of capital commitments:

Unrestricted general funds	152	654
Future grants and contributions	4,399	794
Externally restricted reserves	4,607	11,526
Internally restricted reserves	616	58
<b>Total sources of funding</b>	<b>9,774</b>	<b>13,032</b>



### G3-1 Events occurring after the reporting date

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



## G4 Changes from prior year statements

### G4-1 Changes in accounting policy

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#### Voluntary changes in accounting policies

Council made no changes in accounting policy during the year 30 June 2022.

### G4-2 Changes in accounting estimates

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#### **Nature and effect of changes in accounting estimates on current year**

Council made no changes to accounting estimates during the year ending 30 June 2022.



## G5 Statement of developer contributions as at 30 June 2022

### G5-1 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					
S7.11 not under plans	163	19	–	–	–	–	182	–
S64 contributions	684	89	–	–	–	–	773	–
<b>Total contributions</b>	<b>847</b>	<b>108</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>955</b>	<b>–</b>

Under the *Environmental Planning and Assessment Act 1979*, Council has 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.

### G5-2 Contributions not under plans

	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
\$ '000		Cash	Non-cash					
CONTRIBUTIONS NOT UNDER A PLAN								
Drainage	61	15	–	–	–	–	76	–
Parking	19	–	–	–	–	–	19	–
Open space	83	4	–	–	–	–	87	–
Total	163	19	–	–	–	–	182	–

### G5-3 S64 contributions

#### S64 contributions

Water	652	77	–	–	–	–	729	–
Sewer	32	12	–	–	–	–	44	–
<b>Total</b>	<b>684</b>	<b>89</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>773</b>	<b>–</b>



## G6 Statement of performance measures

### G6-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2022	Indicator 2022	Indicators 20212020		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	(472)	(2.00)%	4.02%	5.64%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	23,641				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions <sup>1,3</sup>	14,581	53.26%	50.84%	56.76%	> 60.00%
Total continuing operating revenue <sup>1</sup>	27,375				
3. Unrestricted current ratio					
Current assets less all external restrictions	14,859	3.94x	5.01x	4.33x	> 1.50x
Current liabilities less specific purpose liabilities	3,770				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	6,996	10.15x	15.40x	18.29x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	689				
5. Rates and annual charges outstanding percentage <sup>3</sup>					
Rates and annual charges outstanding <sup>3</sup>	485	4.13%	4.11%	5.07%	< 10.00%
Rates and annual charges collectable	11,753				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	43,468	27.15 months	25.87 months	27.88 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities	1,601				

(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

(3) These ratios have had the pensioner subsidies removed from the 2018/19 amounts due to changes in the 2019/20 Accounting Code. This change is to ensure comparatives remain consistent.



## G6-2 Statement of performance measures by fund

\$ '000	General Indicators <sup>3</sup>		Water Indicators		Sewer Indicators		Benchmark
	2022	2021	2022	2021	2022	2021	
<b>1. Operating performance ratio</b>							
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1, 2</sup>	(8.59)%	(2.61)%	27.31%	30.60%	(6.43)%	7.85%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>							
<b>2. Own source operating revenue ratio</b>							
Total continuing operating revenue excluding capital grants and contributions <sup>1, 3</sup>	38.57%	38.27%	98.20%	94.87%	99.42%	97.20%	> 60.00%
Total continuing operating revenue <sup>1</sup>							
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions	3.94x	4.14x	23.11x	(1.73)x	∞	∞	> 1.50x
Current liabilities less specific purpose liabilities							
<b>4. Debt service cover ratio</b>							
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	6.80x	15.57x	22.46x	10.69x	∞	∞	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
<b>5. Rates and annual charges outstanding percentage <sup>3</sup></b>							
Rates and annual charges outstanding	6.58%	3.11%	0.00%	7.35%	0.00%	3.83%	< 10.00%
Rates and annual charges collectable							
<b>6. Cash expense cover ratio</b>							
Current year's cash and cash equivalents plus all term deposits	21.92 months	16.32 months	∞	71.78 months	∞	17.98 months	> 3.00 months
Monthly payments from cash flow of operating and financing activities							

(1) - (2) Refer to Notes at Note G6-1 above.

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



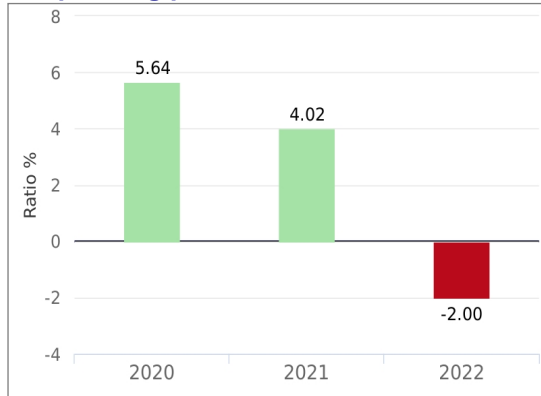
**End of the audited financial statements**



## 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 (2.00)%

The operating performance ratio has seen a decrease to -2.00% (2021: 4.02%) and we are now under the benchmark. This is largely due to continuing increases in depreciation after Council completed comprehensive revaluations of all asset classes over the past 3 years. Council will need to consider how they fund ongoing increases in depreciation going forward.

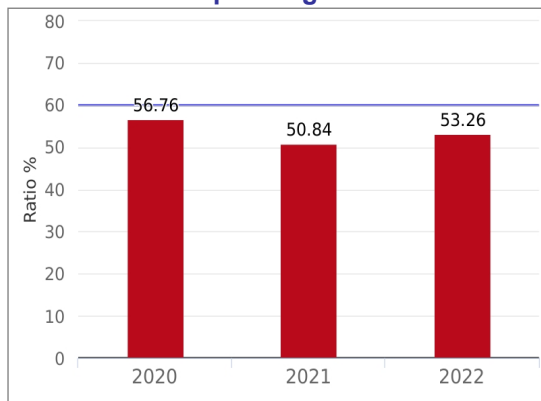
Benchmark: — > 0.00%

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 53.26%

The own source operating revenue ratio increased to 53.26% (2021: 50.84%) due to minor decreases in grant funding.

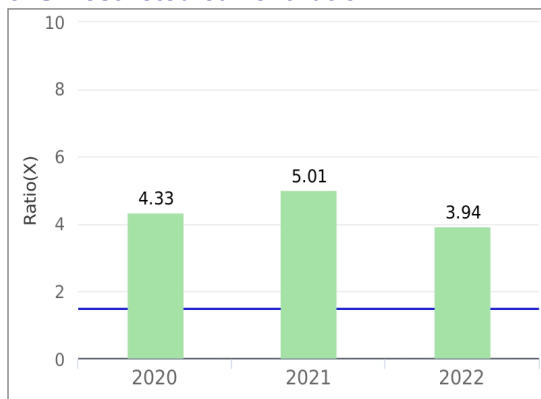
Benchmark: — > 60.00%

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 3.94x

The unrestricted current ratio has seen a decrease in 2021 due to increases in externally restricted cash, cash equivalents and investments.

Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting

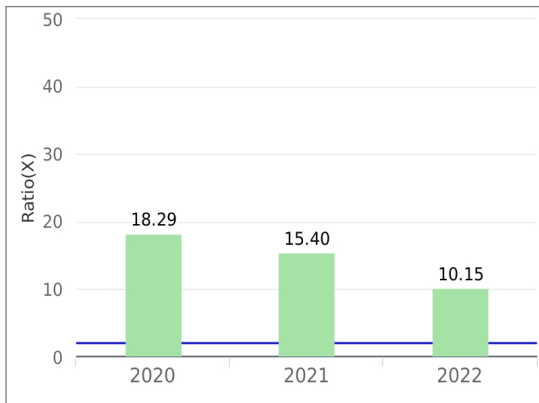
Ratio achieves benchmark

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 10.15x

The debt service cover ratio has decreased to 10.15% (2021: 15.40%) as Council continues to pay down loans and refrain from borrowing this ratio will continue to decrease.

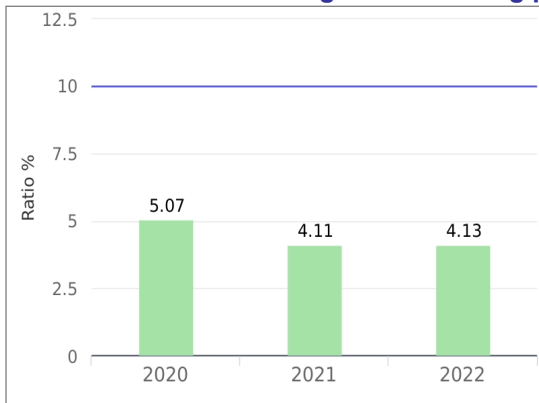
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

### 5. Rates and annual charges outstanding percentage



#### Purpose of rates and annual charges outstanding percentage

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

#### Commentary on 2021/22 result

2021/22 ratio 4.13%

The rates and annual charges outstanding percentage of 4.13% has remained stable compared to the prior year (2021: 4.11%) due to another successful year of collections.

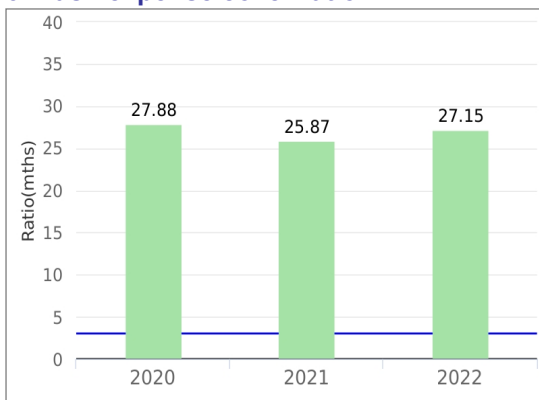
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

### 6. Cash expense cover ratio



#### Purpose of cash expense cover ratio

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

#### Commentary on 2021/22 result

2021/22 ratio 27.15 months

Council's cash expenses cover ratio has decreased to 11.29% (2021: 25.87%). Council consistently remains above the bench mark showing a strong financial position.

Benchmark: — > 3.00months

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark





## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Berrigan Shire Council

To the Councillors of Berrigan Shire Council

### Opinion

I have audited the accompanying financial statements of Berrigan 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:

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

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.



Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

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

## **Other Information**

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

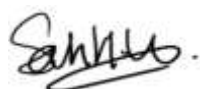
Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, 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/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.



The scope of my audit does not include, nor provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note B5-1 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Hong Wee Soh  
Delegate of the Auditor-General for New South Wales

8 December 2022  
SYDNEY





Cr Matthew Hannan  
Mayor  
Berrigan Shire Council  
56 Chanter Street  
BERRIGAN NSW 2712

Contact: Hong Wee Soh  
Phone no: 02 9275 7397  
Our ref: D2226202/1692

8 December 2022

Dear Mayor

**Report on the Conduct of the Audit  
for the year ended 30 June 2022  
Berrigan Shire Council**

I have audited the general purpose financial statements (GPFS) of the Berrigan 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 an unmodified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 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.



## INCOME STATEMENT

### Operating result

	2022 \$m	2021 \$m	Variance %
Rates and annual charges revenue	11.2	10.9	 2.8
Grants and contributions revenue	12.8	14.6	 12.3
Operating result from continuing operations	2.1	6.1	 65.6
Net operating result before capital grants and contributions	(1.6)	(0.3)	 >100

Rates and annual charges revenue (\$11.2 million) increased by \$0.3 million (2.8 per cent) in 2021–22 due to the 2% rate peg in 2021-22 and increase in rateable properties.

Grants and contributions revenue (\$12.8 million) decreased by \$1.8 million (12.3 per cent) in 2021–22 due to decrease of \$1.8 million of roads to recovery and other roads and bridges funding transport grants and \$1.6 million in Recreation and culture capital grants, offset by an increase of \$1.8 million in financial assistance operating grants.

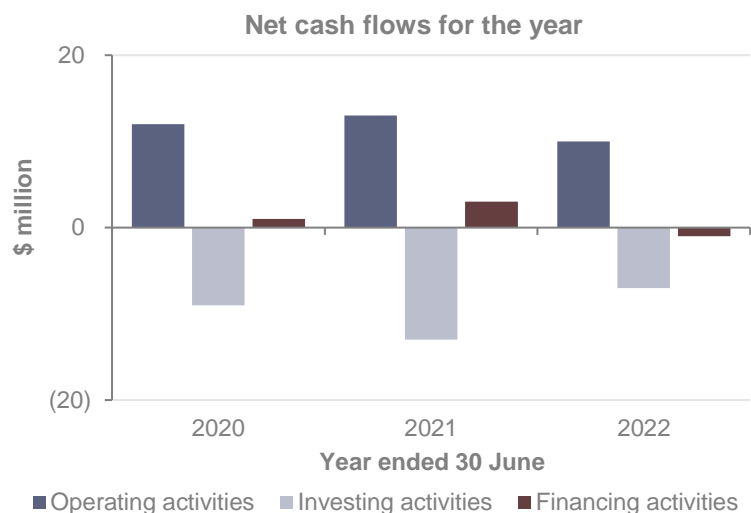
The Council's operating result from continuing operations (\$2.1 million including depreciation and amortisation expense of \$7.4 million) was \$4.0 million lower than the 2020–21 result. This was mainly due to increase of depreciation and amortisation and employee benefits and on-costs expenses and decrease in grant funding.

The net operating result before capital grants and contributions (\$1.6 million) was \$1.3 million lower than the 2020–21 result due to the increase of depreciation and amortisation by \$877,000 and employee benefits and on-costs by \$869,000.



## STATEMENT OF CASH FLOWS

- Council's cash, cash equivalents and investments were \$43.5 million (\$42.7 million for the year ended 30 June 2021). There was a net increase of cash, cash equivalents and investments of \$0.7 million during the 2021- 22 financial year.
- Net cash used in investing activities has increased by \$6.4 million. The increase is due to an increase in the sale of investments and reduced payments for infrastructure, property, plant and equipment assets during the year. There were no significant movements in the net cash flows from financing activities.





## FINANCIAL POSITION

### Cash and investments

Cash and investments	2022	2021	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>43.5</b>	<b>42.7</b>	<ul style="list-style-type: none"> <li>Externally restricted cash and investments are restricted in their use by externally imposed requirements. The increase of \$1.2 million is mainly due to an increase of specific purpose unexpended grants (general fund) and an increase of sewer fund.</li> </ul>
Restricted and allocated cash, cash equivalents and investments:			
• External restrictions	31.9	30.7	<ul style="list-style-type: none"> <li>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 decrease of \$1.1 million is mainly due to a \$0.6 million decrease in the capital works reserve</li> </ul>
• Internal allocations	3.5	4.6	
• Unrestricted	8.1	7.4	Unrestricted cash and investment of \$8.1 million, is available to provide liquidity for day-to-day operations of the council.

### Debt

The Council has total borrowings of \$4.7 million at 30 June 2022 decreasing by \$0.6 million due to repayments. No additional loans were taken out by Council during the year.



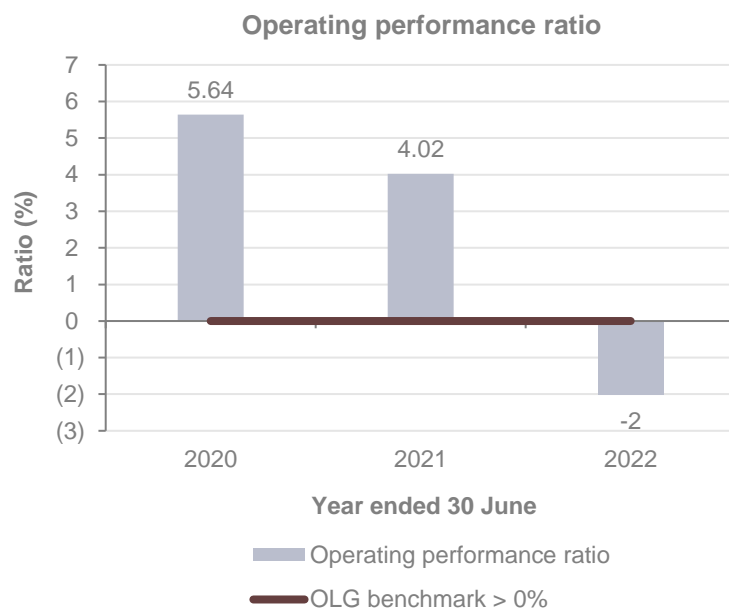
## PERFORMANCE

### 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.

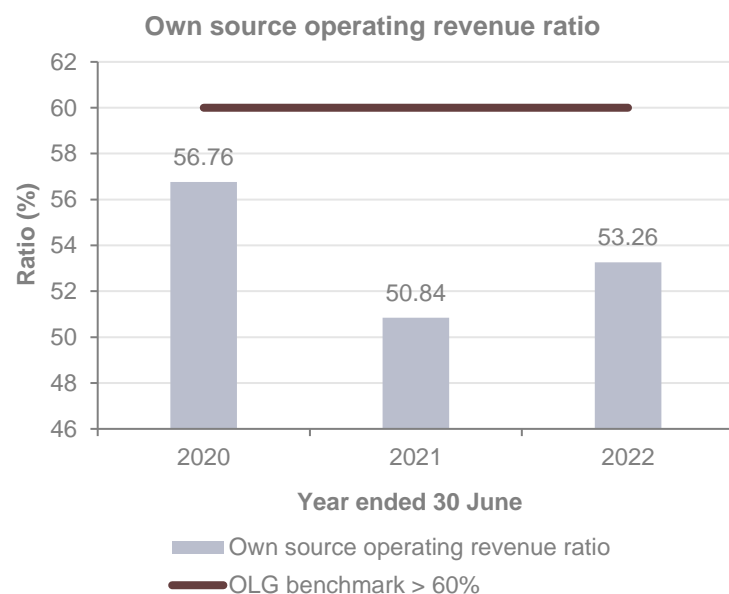
#### Operating performance ratio

- The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions). The benchmark set by OLG is greater than zero per cent.
- The Council did not meet the OLG benchmark for the current reporting period.
- The operating performance ratio decreased to negative 2 per cent (2021: (positive 4.02 per cent)) due to the increase in depreciation, amortisation and impairment of non-financial assets and an increase in materials and services expenses and employee based expenses.



#### Own source operating revenue ratio

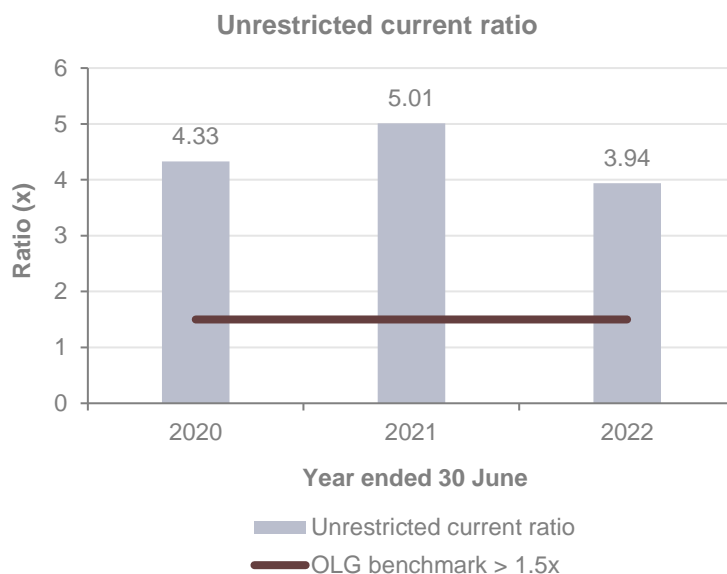
- The 'own source operating revenue ratio' measures the Council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.
- The Council did not meet the OLG benchmark for the current reporting period. This indicates that the Council is more reliant on external funding sources, such as grants and contributions.
- The own source operating revenue ratio increased to 53.26 per cent (2021: 50.84 per cent) due to the increase in rates.





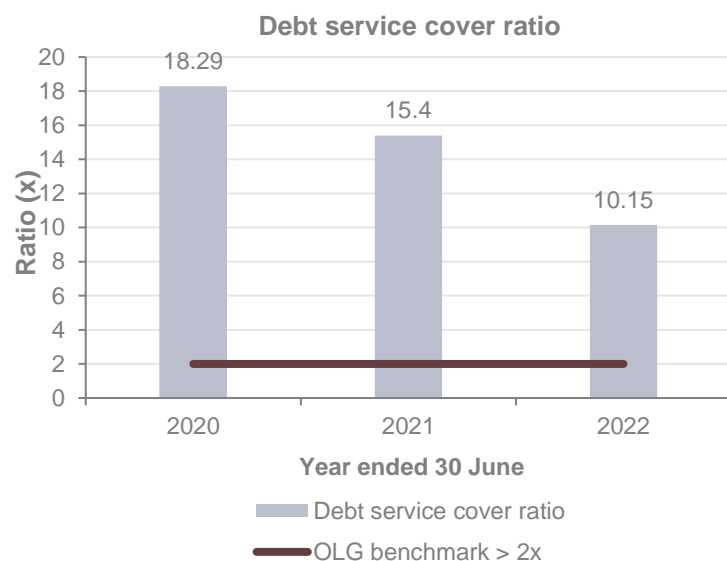
### Unrestricted current ratio

- The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.
- The Council exceeded the OLG benchmark for the current reporting period.
- The unrestricted current ratio decreased to 3.94 times (2021: 5.01 times) due to a reduction in specific purpose liabilities by \$1 million. This decrease is due to a reduction in employee provision and contract liabilities.



### Debt service cover ratio

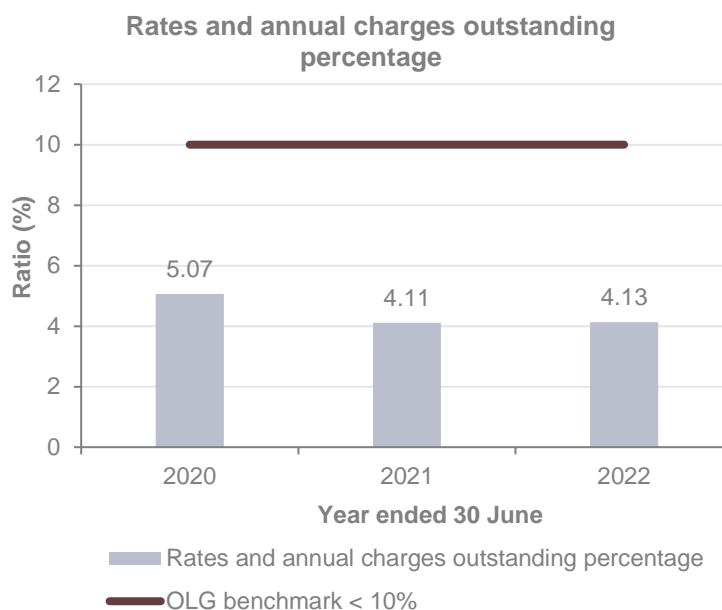
- The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.
- The Council has met the OLG benchmark for the current reporting period.
- Debt service ratio decreased due to Council repayment of borrowings.





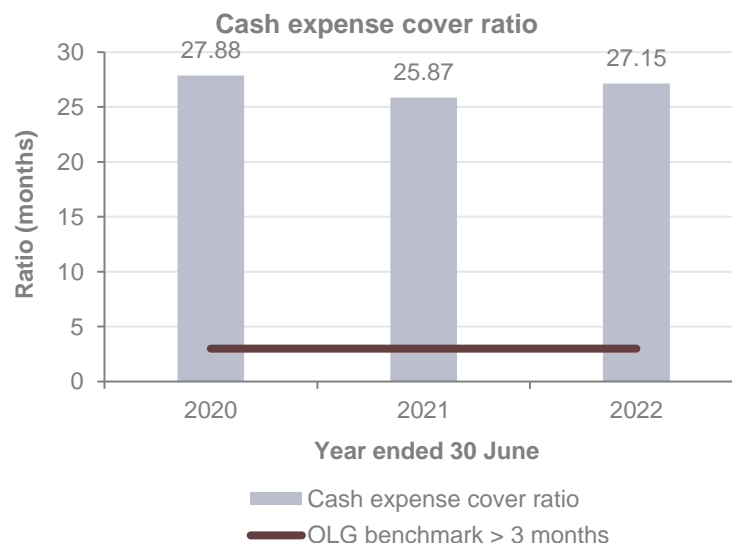
### Rates and annual charges outstanding percentage

- The 'rates, annual charges, interest and extra 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 ratio of 4.13 per cent is within the industry benchmark of less than 10 per cent for regional and rural councils.



### Cash expense cover ratio

- This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.
- The Council's cash expense cover ratio was 27.15 months, which is above the industry benchmark of greater than 3 months. This indicates that Council had the capacity to cover 27.15 months of operating cash expenditure without additional cash inflows at 30 June 2022.



### Infrastructure, property, plant and equipment renewals

The Council renewed \$5.7 million of assets in the 2021-22 financial year, compared to \$7.6 million of assets in the 2020-21 financial year. The decrease is primarily due to lower renewals on water supply network, sewerage network and other open space/recreational assets in 2021-22.



## OTHER MATTERS

### Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Council's accounting records or financial statements. The Council's:

- accounting records were maintained in a manner and form to allow the GPFS to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.



Hong Wee Soh

Delegate of the Auditor-General for New South Wales

cc: Mr Matthew Hansen, Director Corporate Services  
Ms Karina Ewer, Chief Executive Officer  
Ms Tahlia Fry, Finance Manager  
Michael Cassel, Secretary of the Department of Planning, Industry and Environment



# Berrigan Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2022

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*"Making an even better Berrigan Shire"*





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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).



## Berrigan Shire Council

### Special Purpose Financial Statements

for the year ended 30 June 2022

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#### Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,
- the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines.

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

- present fairly the operating result and financial position for each of Council's declared business activities for the year;
- accord with Council's accounting and other records; and
- 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 07 December 2022.



Cr Matthew Hannan

Mayor

07 December 2022



Cr Carly Marriott

Councillor

07 December 2022



Karina Ewer

Chief Executive Officer

07 December 2022



Tahlia Fry

Responsible Accounting Officer

07 December 2022



## Berrigan Shire Council

### Income Statement of water supply business activity

for the year ended 30 June 2022

\$ '000	2022	2021
<b>Income from continuing operations</b>		
Access charges	2,174	2,116
User charges	998	1,161
Fees	85	78
Interest and investment income	78	130
Other income	862	436
<b>Total income from continuing operations</b>	<b>4,197</b>	<b>3,921</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	412	464
Borrowing costs	93	24
Materials and services	1,321	1,224
Depreciation, amortisation and impairment	850	690
Water purchase charges	140	120
Net loss from the disposal of assets	35	149
Other expenses	200	199
<b>Total expenses from continuing operations</b>	<b>3,051</b>	<b>2,870</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>1,146</b>	<b>1,051</b>
Grants and contributions provided for capital purposes	77	212
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>1,223</b>	<b>1,263</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>1,223</b>	<b>1,263</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	(287)	(273)
<b>Surplus (deficit) after tax</b>	<b>936</b>	<b>990</b>
<b>Opening accumulated surplus</b>	<b>27,128</b>	<b>25,865</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	287	273
<b>Closing accumulated surplus</b>	<b>28,351</b>	<b>27,128</b>
<b>Return on capital %</b>	<b>3.3%</b>	<b>3.0%</b>
<b>Subsidy from Council</b>	<b>140</b>	<b>–</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	937	990
Less: capital grants and contributions (excluding developer contributions)	(77)	(212)
<b>Surplus for dividend calculation purposes</b>	<b>860</b>	<b>778</b>
<b>Potential dividend calculated from surplus</b>	<b>430</b>	<b>389</b>



## Berrigan Shire Council

## Income Statement of sewerage business activity

for the year ended 30 June 2022

\$ '000	2022	2021
<b>Income from continuing operations</b>		
Access charges	2,211	2,147
User charges	2	4
Fees	75	64
Interest and investment income	75	34
Other income	46	44
<b>Total income from continuing operations</b>	<b>2,409</b>	<b>2,293</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	335	358
Materials and services	979	940
Depreciation, amortisation and impairment	1,010	614
Net loss from the disposal of assets	15	95
Calculated taxation equivalents	–	8
Other expenses	225	263
<b>Total expenses from continuing operations</b>	<b>2,564</b>	<b>2,278</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(155)</b>	<b>15</b>
Grants and contributions provided for capital purposes	14	66
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(141)</b>	<b>81</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>(141)</b>	<b>81</b>
Less: corporate taxation equivalent (25%) [based on result before capital]	–	(4)
<b>Surplus (deficit) after tax</b>	<b>(141)</b>	<b>77</b>
<b>Opening accumulated surplus</b>	<b>10,782</b>	<b>10,693</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	–	8
– Corporate taxation equivalent	–	4
<b>Less:</b>		
<b>Closing accumulated surplus</b>	<b>10,641</b>	<b>10,782</b>
<b>Return on capital %</b>	<b>(0.3)%</b>	<b>0.0%</b>
<b>Subsidy from Council</b>	<b>1,851</b>	<b>626</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	(141)	77
Less: capital grants and contributions (excluding developer contributions)	(14)	(66)
<b>Surplus for dividend calculation purposes</b>	<b>–</b>	<b>11</b>
<b>Potential dividend calculated from surplus</b>	<b>–</b>	<b>6</b>



## Berrigan Shire Council

### Statement of Financial Position of water supply business activity

as at 30 June 2022

<b>\$ '000</b>	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	7,865	5,936
Investments	12,044	14,000
Receivables	254	172
Inventories	103	85
<b>Total current assets</b>	<b>20,266</b>	<b>20,193</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	37,683	35,638
<b>Total non-current assets</b>	<b>37,683</b>	<b>35,638</b>
<b>Total assets</b>	<b>57,949</b>	<b>55,831</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	248	89
Borrowings	629	619
<b>Total current liabilities</b>	<b>877</b>	<b>708</b>
<b>Non-current liabilities</b>		
Borrowings	5,197	5,825
<b>Total non-current liabilities</b>	<b>5,197</b>	<b>5,825</b>
<b>Total liabilities</b>	<b>6,074</b>	<b>6,533</b>
<b>Net assets</b>	<b>51,875</b>	<b>49,298</b>
<b>EQUITY</b>		
Accumulated surplus	28,351	27,128
Revaluation reserves	23,524	22,170
<b>Total equity</b>	<b>51,875</b>	<b>49,298</b>



## Berrigan Shire Council

## Statement of Financial Position of sewerage business activity

as at 30 June 2022

\$ '000	2022	2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	508	1,949
Investments	4,000	2,000
Receivables	433	423
Inventories	9	12
<b>Total current assets</b>	<b>4,950</b>	<b>4,384</b>
<b>Non-current assets</b>		
Receivables	2,922	3,263
Infrastructure, property, plant and equipment	46,351	43,000
<b>Total non-current assets</b>	<b>49,273</b>	<b>46,263</b>
<b>Total assets</b>	<b>54,223</b>	<b>50,647</b>
<b>Net assets</b>	<b>54,223</b>	<b>50,647</b>
<b>EQUITY</b>		
Accumulated surplus	10,641	10,782
Revaluation reserves	43,582	39,865
<b>Total equity</b>	<b>54,223</b>	<b>50,647</b>



## 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)

##### a. Berrigan Shire Council Water Supply

Supply drinking quality water to the towns of Barooga, Berrigan, Finley and Tocumwal

##### b. Berrigan Shire Council Sewerage Service

Supply of a reticulated sewerage service to the towns of Barooga, Berrigan, Finley and Tocumwal.

#### Category 2

(where gross operating turnover is less than \$2 million)

**NIL**

### 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%).



## Note – Significant Accounting Policies (continued)

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% (20/21 26%) is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

### Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that Council business activities face 'true' commercial borrowing costs in line with private sector competitors. In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

#### (i) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed. Subsidies occur where Council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations. The overall effect of subsidies is contained within the Income Statements of business activities.

#### (ii) Return on investments (rate of return)

The NCP policy statement requires that councils with Category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

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

The rate of return is calculated as follows:

**Operating result before capital income + interest expense**

**Written down value of I,PP&E as at 30 June**

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 3.66% at 30/6/22.

#### (iii) Dividends

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

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

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

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

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





## **INDEPENDENT AUDITOR'S REPORT**

### **Report on the special purpose financial statements**

#### **Berrigan Shire Council**

To the Councillors of Berrigan Shire Council

### **Opinion**

I have audited the accompanying special purpose financial statements (the financial statements) of Berrigan 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
- Sewerage

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](http://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 'Soh Wee Hong'.

Hong Wee Soh  
Delegate of the Auditor-General for New South Wales

8 December 2022  
SYDNEY



# Berrigan Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2022

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*"Making an even better Berrigan Shire"*





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Permissible income for general rates	3
Report on infrastructure assets as at 30 June 2022	7

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## Berrigan Shire Council

## Permissible income for general rates

\$ '000	Notes	Calculation 2021/22	Calculation 2022/23
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	5,451	5,573
Plus or minus adjustments <sup>2</sup>	b	16	23
<b>Notional general income</b>	$c = a + b$	<b>5,467</b>	<b>5,596</b>
<b>Permissible income calculation</b>			
Or rate peg percentage	e	2.00%	2.00%
Or plus rate peg amount	$i = e \times (c + g)$	109	112
<b>Sub-total</b>	$k = (c + g + h + i + j)$	<b>5,576</b>	<b>5,708</b>
Plus (or minus) last year's carry forward total	l	(5)	(2)
<b>Sub-total</b>	$n = (l + m)$	<b>(5)</b>	<b>(2)</b>
<b>Total permissible income</b>	$o = k + n$	<b>5,571</b>	<b>5,706</b>
Less notional general income yield	p	5,573	5,706
<b>Catch-up or (excess) result</b>	$q = o - p$	<b>(1)</b>	<b>—</b>
<b>Carry forward to next year <sup>6</sup></b>	$t = q + r + s$	<b>(1)</b>	<b>—</b>

**Notes**

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916 (NSW)*.
- (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

#### Berrigan Shire Council

To the Councillors of Berrigan Shire Council

### Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Berrigan 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](http://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.



Hong Wee Soh  
Delegate of the Auditor-General for New South Wales

8 December 2022  
SYDNEY



## Berrigan Shire Council

## Report on infrastructure assets as at 30 June 2022

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2021/22 Required maintenance <sup>a</sup>	2021/22 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Buildings	Buildings – non-specialised	–	–	–	–	699	729	35.0%	65.0%	0.0%	0.0%	0.0%
	Buildings – specialised	–	–	160	115	37,160	53,515	60.0%	24.0%	14.0%	2.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>160</b>	<b>115</b>	<b>37,859</b>	<b>54,244</b>	<b>59.7%</b>	<b>24.6%</b>	<b>13.8%</b>	<b>2.0%</b>	<b>0.0%</b>
Roads	Roads	–	–	2,630	2,604	154,341	183,562	85.0%	11.0%	3.0%	1.0%	0.0%
	Bridges	–	–	–	–	6,952	12,165	70.0%	21.0%	9.0%	0.0%	0.0%
	Footpaths	–	–	–	22	4,244	5,440	75.0%	13.0%	12.0%	0.0%	0.0%
	Bulk earthworks	–	–	–	–	12,553	12,553	100.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>2,630</b>	<b>2,626</b>	<b>178,090</b>	<b>213,720</b>	<b>84.8%</b>	<b>11.0%</b>	<b>3.4%</b>	<b>0.9%</b>	<b>0.0%</b>
Water supply network	Water supply network	–	–	839	1,097	34,742	53,860	16.0%	61.0%	18.0%	5.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>839</b>	<b>1,097</b>	<b>34,742</b>	<b>53,860</b>	<b>16.0%</b>	<b>61.0%</b>	<b>18.0%</b>	<b>5.0%</b>	<b>0.0%</b>
Sewerage network	Sewerage network	–	–	878	992	45,047	66,853	12.0%	84.0%	4.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>878</b>	<b>992</b>	<b>45,047</b>	<b>66,853</b>	<b>12.0%</b>	<b>84.0%</b>	<b>4.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Stormwater drainage	Stormwater drainage	–	–	213	126	21,229	26,103	48.0%	49.0%	3.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>213</b>	<b>126</b>	<b>21,229</b>	<b>26,103</b>	<b>48.0%</b>	<b>49.0%</b>	<b>3.0%</b>	<b>0.0%</b>	<b>0.0%</b>
Open space / recreational assets	Swimming pools	–	–	–	9	2,039	3,608	13.0%	82.0%	5.0%	0.0%	0.0%
	Other	–	–	411	448	8,671	12,188	39.0%	52.0%	9.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>411</b>	<b>457</b>	<b>10,710</b>	<b>15,796</b>	<b>33.1%</b>	<b>58.9%</b>	<b>8.1%</b>	<b>0.0%</b>	<b>0.0%</b>
Aerodrome	Aerodrome	–	–	–	42	7,044	11,940	84.0%	16.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>42</b>	<b>7,044</b>	<b>11,940</b>	<b>84.0%</b>	<b>16.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Total – all assets</b>		<b>–</b>	<b>–</b>	<b>5,131</b>	<b>5,455</b>	<b>334,721</b>	<b>442,516</b>	<b>58.3%</b>	<b>33.8%</b>	<b>6.6%</b>	<b>1.3%</b>	<b>0.0%</b>

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

## Infrastructure asset condition assessment 'key'

1 <b>Excellent/very good</b>	No work required (normal maintenance)	4 <b>Poor</b>	Renewal required
2 <b>Good</b>	Only minor maintenance work required	5 <b>Very poor</b>	Urgent renewal/upgrading required



**3 Satisfactory**

Maintenance work required



## Berrigan Shire Council

## Report on infrastructure assets as at 30 June 2022

## Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts 2022	Indicator 2022	Indicators 2021      2020		Benchmark
Buildings and infrastructure renewals ratio					
Asset renewals <sup>1</sup>	6,468	108.52%	141.91%	149.43%	>= 100.00%
Depreciation, amortisation and impairment	5,960				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	–	0.00%	0.00%	0.00%	< 2.00%
Net carrying amount of infrastructure assets	334,721				
Asset maintenance ratio					
Actual asset maintenance	5,455	106.31%	123.30%	104.29%	> 100.00%
Required asset maintenance	5,131				
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	442,516				

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

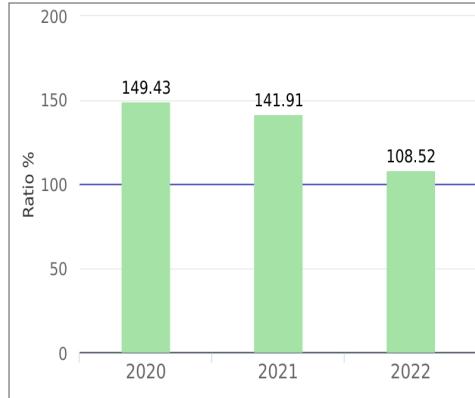
(1) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.



## Berrigan 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 108.52%

Council continues to invest in Building and Infrastructure renewal.

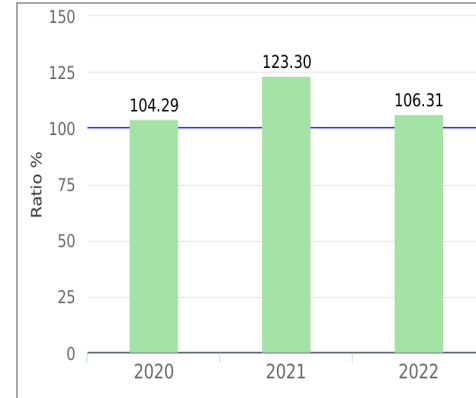
Benchmark: —  $\geq 100.00\%$

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 106.31%

Council continues to maintain its assets.

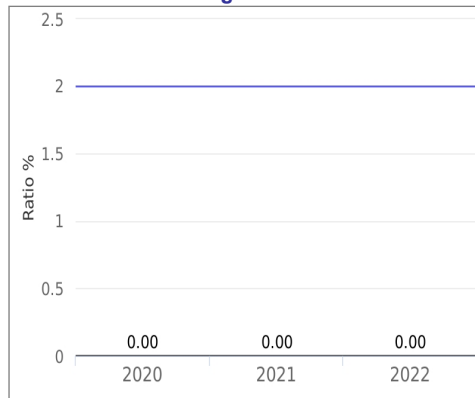
Benchmark: —  $> 100.00\%$

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 0.00%

Council has no unfunded Infrastructure.

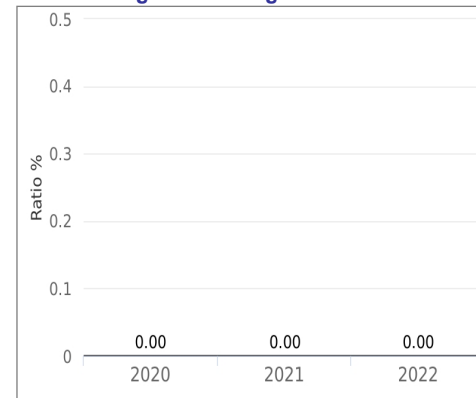
Benchmark: —  $< 2.00\%$

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%

All service levels are maintained.



## Berrigan 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 <sup>1</sup>	130.74%	141.42%	52.46%	278.45%	80.24%	17.30%	>= 100.00%
Depreciation, amortisation and impairment							
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	< 2.00%
Net carrying amount of infrastructure assets							
Asset maintenance ratio							
Actual asset maintenance	98.59%	121.15%	130.75%	142.76%	112.98%	111.53%	> 100.00%
Required asset maintenance							
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%	0.00%	0.00%	0.00%	
Gross replacement cost							

(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.