

Berrigan Shire Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2021

"Making an even better Berrigan Shire"



Berrigan Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2021

"Making an even better Berrigan Shire"



Berrigan Shire Council

General Purpose Financial Statements

for the year ended 30 June 2021

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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.

Berrigan Shire Council

General Purpose Financial Statements

for the year ended 30 June 2021

Understanding Council's Financial Statements

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 2021.

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

About the Councillor/Management Statement

The financial statements must be certified by senior staff as 'presenting fairly' the Council's financial results for the year and are required to be adopted by Council – ensuring both responsibility for and ownership of the financial statements.

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

Indicates where Council's cash came from and where it was spent. This statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the five primary financial statements.

About the Auditor's Reports

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

In NSW the auditor provides 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 2021

Statement by Councillors and Management

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 20 October 2021.



Cr. Matthew Hannan
Mayor
20 October 2021



Cr. Daryll Morris
Councillor
20 October 2021



Karina Ewer
Chief Executive Officer
20 October 2021



Tahlia Fry
Responsible Accounting Officer
20 October 2021

Berrigan Shire Council

Income Statement

for the year ended 30 June 2021

Original unaudited budget 2021	\$ '000	Notes	Actual 2021	Actual 2020
Income from continuing operations				
10,532	Rates and annual charges	B2-1	10,938	10,570
1,743	User charges and fees	B2-2	2,746	2,648
575	Other revenue	B2-3	892	1,010
7,529	Grants and contributions provided for operating purposes	B2-4	8,181	7,834
982	Grants and contributions provided for capital purposes	B2-4	6,397	3,631
752	Interest and investment income	B2-5	374	669
–	Other income	B2-6	128	152
<u>22,113</u>	Total income from continuing operations		<u>29,656</u>	<u>26,514</u>
Expenses from continuing operations				
4,849	Employee benefits and on-costs	B3-1	8,144	7,617
6,465	Materials and services	B3-2	6,992	6,990
186	Borrowing costs	B3-3	77	257
6,100	Depreciation, amortisation and impairment for non-financial assets	B3-4	6,546	6,225
2,304	Other expenses	B3-5	569	513
–	Net losses from the disposal of assets	B4-1	1,235	558
<u>19,904</u>	Total expenses from continuing operations		<u>23,563</u>	<u>22,160</u>
<u>2,209</u>	Operating result from continuing operations		<u>6,093</u>	<u>4,354</u>
<u>2,209</u>	Net operating result for the year attributable to Council		<u>6,093</u>	<u>4,354</u>
<u>1,227</u>	Net operating result for the year before grants and contributions provided for capital purposes		<u>(304)</u>	<u>723</u>

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 2021

\$ '000	Notes	2021	2020
Net operating result for the year – from Income Statement		6,093	4,354
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	<u>36,055</u>	<u>53,886</u>
Total items which will not be reclassified subsequently to the operating result		36,055	53,886
Total other comprehensive income for the year		36,055	53,886
Total comprehensive income for the year attributable to Council		42,148	58,240

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 2021

\$ '000	Notes	2021	2020
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	14,684	11,245
Investments	C1-2	28,026	27,046
Receivables	C1-4	2,956	1,743
Inventories	C1-5	230	275
Other		51	51
Total current assets		45,947	40,360
Non-current assets			
Infrastructure, property, plant and equipment	C1-6	343,299	302,964
Total non-current assets		343,299	302,964
Total assets		389,246	343,324
LIABILITIES			
Current liabilities			
Payables	C3-1	1,689	1,975
Contract liabilities	C3-2	1,064	622
Borrowings	C3-3	644	259
Employee benefit provisions	C3-4	2,654	2,668
Provisions	C3-5	34	34
Total current liabilities		6,085	5,558
Non-current liabilities			
Borrowings	C3-3	4,768	1,567
Employee benefit provisions	C3-4	172	125
Provisions	C3-5	562	563
Total non-current liabilities		5,502	2,255
Total liabilities		11,587	7,813
Net assets		377,659	335,511
EQUITY			
Accumulated surplus	C4-1	128,397	122,304
IPPE revaluation reserve	C4-1	249,262	213,207
Council equity interest		377,659	335,511
Total equity		377,659	335,511

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 2021

\$ '000	Notes	as at 30/06/21			as at 30/06/20		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		122,304	213,207	335,511	118,423	159,321	277,744
Changes due to AASB 1058 and AASB 15 adoption		-	-	-	(473)	-	(473)
Net operating result for the year		6,093	-	6,093	4,354	-	4,354
Restated net operating result for the period		6,093	-	6,093	4,354	-	4,354
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	-	36,055	36,055	-	53,886	53,886
Other comprehensive income		-	36,055	36,055	-	53,886	53,886
Total comprehensive income		6,093	36,055	42,148	4,354	53,886	58,240
Closing balance at 30 June		128,397	249,262	377,659	122,304	213,207	335,511

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 2021

Original unaudited budget 2021	\$ '000	Notes	Actual 2021	Actual 2020
Cash flows from operating activities				
Receipts:				
10,533	Rates and annual charges		11,064	10,927
1,744	User charges and fees		3,036	2,582
752	Investment and interest revenue received		456	814
8,510	Grants and contributions		13,418	11,381
–	Bonds, deposits and retention amounts received		80	187
575	Other		4,753	2,634
Payments:				
(4,831)	Employee benefits and on-costs		(9,318)	(8,910)
(6,310)	Materials and services		(7,508)	(4,978)
(186)	Borrowing costs		(77)	(41)
(2,304)	Other		(2,492)	(2,386)
8,483	Net cash flows from operating activities	G1-1	13,412	12,210
Cash flows from investing activities				
Receipts:				
–	Sale of investment securities		–	954
–	Sale of real estate assets		83	870
414	Sale of infrastructure, property, plant and equipment		448	291
Payments:				
(500)	Acquisition of term deposits		(980)	–
(7,783)	Purchase of infrastructure, property, plant and equipment		(13,109)	(11,290)
–	Purchase of real estate assets		(1)	–
(7,869)	Net cash flows from investing activities		(13,559)	(9,175)
Cash flows from financing activities				
Receipts:				
8,000	Proceeds from borrowings		4,000	1,000
Payments:				
(766)	Repayment of borrowings		(414)	(168)
7,234	Net cash flows from financing activities		3,586	832
7,848	Net change in cash and cash equivalents		3,439	3,867
515	Cash and cash equivalents at beginning of year		11,245	7,378
8,363	Cash and cash equivalents at end of year	C1-1	14,684	11,245
20,181	plus: Investments on hand at end of year	C1-2	28,026	27,046
28,544	Total cash, cash equivalents and investments		42,710	38,291

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

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 20 October 2021. Council has the power to amend and reissue these financial statements.

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

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

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

Council is a not-for-profit entity.

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

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

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

and are clearly marked.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain 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) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-6
- (ii) estimated 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

While the COVID-19 pandemic has had an impact on the Council and its operations, this has not been material in nature.

A1-1 Basis of preparation (continued)

There has been some minor increases in costs relating to additional equipment to meet hygiene requirements.

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 are at historic lows and the Council expects this will continue in the medium term. The impact of COVID-19 on the national and international economy may see low returns continue for an extended period of time.

For assets where fair value is determined by market value Council has no evidence of material changes to these values.

In an overall sense, the financial impact of the COVID-19 pandemic has not been significant and is not expected to be significant.

Monies and other assets received by Council

The Consolidated Fund

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

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

- General purpose operations
- Water service
- Sewerage service

Due to their immaterial value and nature, the following committees, entities and operations have been excluded from consolidation:

- Australia Day Committee
- Barooga Advancement Group
- Barooga Community Botanical Gardens Committee
- Barooga Recreation Reserve
- Berrigan Conservation & Tidy Towns
- Berrigan Sportsground Committee
- Berrigan War Memorial Hall
- Berrigan War Memorial Swimming Pool
- Boomanoomana Landcare Committee
- Finley Railway Park
- Finley Recreation Reserve Committee of Management
- Finley School of Arts
- Finley Showground Sporting Complex Committee
- Finley Tidy Towns
- Finley War Memorial Hall
- Finley War Memorial Swimming Pool
- Mary Lawson Memorial Wayside Rest Committee
- Native Dog Landcare Group
- Retreat Public Hall
- Tocumwal Foreshore
- Tocumwal Friends of the Library Group
- Tocumwal Historic Aerodrome Museum
- Tocumwal Rail Preservation Committee
- Tocumwal Recreation Reserve Committee
- Tocumwal Swimming Pool Committee
- Tocumwal War Memorial Hall

The Trust Fund

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

Council currently considers it holds no trust funds that are applicable in accordance with Section 411 of the *Local Government Act 1993 (NSW)*.

A1-1 Basis of preparation (continued)

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 not yet effective

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

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

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 and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2021.

Those newly adopted standards did not have an impact on the reported position or performance of Council.

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Functions or activities										
Sustainable Natural and Built Landscapes	15,642	13,725	16,402	16,193	(760)	(2,468)	7,028	4,642	313,641	270,540
Good Government	9,613	9,006	1,883	1,844	7,730	7,162	3,782	3,569	28,744	28,088
Supported and Engaged communities	3,875	3,194	3,819	3,398	56	(204)	3,597	2,989	42,185	40,013
Diverse and resilient business	526	589	1,459	725	(933)	(136)	171	265	4,676	4,683
Total functions and activities	29,656	26,514	23,563	22,160	6,093	4,354	14,578	11,465	389,246	343,324

B1-2 Components of functions or activities

Sustainable and Natural 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 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

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
- 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
- 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
- 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	2021	2020
Ordinary rates			
Residential	1	2,891	2,820
Farmland	1	1,960	1,928
Business	1	591	530
Less: pensioner rebates (mandatory)	1	(176)	(174)
Rates levied to ratepayers		5,266	5,104
Pensioner rate subsidies received	2	95	95
Total ordinary rates		5,361	5,199
Annual charges			
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>			
Domestic waste management services	1	1,102	1,059
Stormwater management services	1	77	75
Water supply services	1	2,192	2,112
Sewerage services	1	2,222	2,142
Waste management services (non-domestic)	1	96	90
Less: pensioner rebates (mandatory)	1	(244)	(238)
Annual charges levied		5,445	5,240
Pensioner subsidies received:			
– Water	2	46	41
– Sewerage	2	44	44
– Domestic waste management	2	42	46
Total annual charges		5,577	5,371
Total rates and annual charges		10,938	10,570

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	2021	2020
Specific user charges			
(per s.502 - specific 'actual use' charges)			
Domestic waste management services	2	250	251
Water supply services	2	1,160	1,196
Sewerage services	2	64	61
Waste management services (non-domestic)	2	387	390
Total specific user charges		1,861	1,898
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Building regulation	2	309	218
Private works – section 67	2	135	147
Section 10.7 certificates (EP&A Act)	2	28	24
Section 603 certificates	2	35	27
Total fees and charges – statutory/regulatory		507	416
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Aerodrome	2	42	24
Cemeteries	2	120	103
Library	2	4	3
Swimming centres	2	87	78
Sewerage	2	4	9
Water supply	2	78	64
Other	2	43	53
Total fees and charges – other		378	334
Total user charges and fees		2,746	2,648
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		–	–
User charges and fees recognised at a point in time (2)		2,746	2,648
Total user charges and fees		2,746	2,648

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.

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 revenue

\$ '000	Timing	2021	2020
Fines	2	1	1
Legal fees recovery – rates and charges (extra charges)	1	15	24
Commissions and agency fees	1	78	62
Diesel rebate	1	69	77
Recycling income (non-domestic)	1	7	–
Sales – general	1	7	11
Insurance rebate	1	10	6
Paid parental leave scheme	1	9	13
Sale of gravel	1	17	–
Sale of high security water	1	390	672
Sale of scrap metal	1	71	16
Statecover OHS incentives	1	–	20
Other	1	80	42
Workers compensation recovery	1	138	66
Total other revenue		892	1,010

Timing of revenue recognition for other revenue

Other revenue recognised over time (1)	891	1,010
Other revenue recognised at a point in time (2)	1	1
Total other revenue	892	1,011

Accounting policy for other revenue

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

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

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

B2-4 Grants and contributions

\$ '000	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	1	1,696	1,713	–	–
Financial assistance – local roads component	1	706	701	–	–
Payment in advance - future year allocation					
Financial assistance – general component	1	1,814	1,814	–	–
Financial assistance – local roads component	1	757	744	–	–
Amount recognised as income during current year		4,973	4,972	–	–
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Previously specific grants:					
Bushfire and emergency services	1	59	59	–	–
Sewerage	2	–	–	2	–
Community care	2	2	2	–	–
Economic development	2	100	163	694	9
Employment and training programs	2	126	–	–	–
Environmental programs	2	47	–	–	–
ESPL implementation funds	2	79	29	–	–
Floodplain management	2	–	–	–	103
Heritage and cultural	2	5	9	–	–
Library	2	–	4	4	159
Library – per capita	1	63	64	–	–
Library – special projects	1	20	18	–	–
LIRS subsidy	1	24	29	–	–
Recreation and culture	2	–	–	2,776	2,598
Noxious weeds	2	189	62	–	–
Street lighting	2	56	51	–	–
Transport (other roads and bridges funding)	2	–	–	2,127	321
Transport (roads to recovery)	2	1,316	1,316	–	–
Other specific grants	2	77	16	–	–
Previously contributions:					
Business development	2	5	–	29	–
Heritage/cultural	2	–	–	91	40
Kerb and gutter	2	–	–	20	–
Paving	2	–	–	41	–
Recreation and culture	2	–	–	120	18
Roads and bridges	2	–	–	–	60
Transport for NSW contributions (regional roads, block grant)	2	1,040	1,040	186	179
Sewerage (excl. section 64 contributions)	2	–	–	60	–
Total special purpose grants and non-developer contributions – cash		3,208	2,862	6,150	3,487
Total special purpose grants and non-developer contributions (tied)		3,208	2,862	6,150	3,487
Total grants and non-developer contributions		8,181	7,834	6,150	3,487

B2-4 Grants and contributions (continued)

\$ '000	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Comprising:					
– Commonwealth funding		6,544	6,492	1,026	1,106
– State funding		1,526	302	4,763	2,027
– Other funding		111	1,040	361	354
		8,181	7,834	6,150	3,487

B2-4 Grants and contributions (continued)

Developer contributions

\$ '000	Notes	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Developer contributions:						
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
Cash contributions						
S 7.11 – contributions towards amenities/services		2	–	–	31	14
S 64 – water supply contributions		2	–	–	212	113
S 64 – sewerage service contributions		2	–	–	4	17
Total developer contributions – cash			–	–	247	144
Total developer contributions			–	–	247	144
Total contributions			–	–	247	144
Total grants and contributions			8,181	7,834	6,397	3,631
Timing of revenue recognition for grants and contributions						
Grants and contributions recognised over time (1)			5,139	5,142	–	–
Grants and contributions recognised at a point in time (2)			3,042	2,692	6,397	3,631
Total grants and contributions			8,181	7,834	6,397	3,631

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

\$ '000	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Unspent grants and contributions				
Unspent funds at 1 July	280	68	677	254
Add: Funds received for the provision of goods and services	7,029	6,794	6,046	3,365
Add: Funds recognised in the current period and now spent	(7,204)	(6,582)	(5,037)	(2,469)
Less: Funds received in prior year but revenue recognised and funds spent in current year	-	-	(622)	(473)
Unspent funds at 30 June	105	280	1,064	677
Contributions				
Unspent funds at 1 July	600	456	-	-
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	247	144	-	-
Add: contributions received for the provision of goods and services	1,698	1,794	-	-
Less: contributions recognised in the current period now spent	(1,698)	(1,794)	-	-
Unspent contributions at 30 June	847	600	-	-

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*.

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	2021	2020
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	14	31
– Cash and investments	360	638
Total interest and investment income (losses)	374	669
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	6	15
General Council cash and investments	204	504
Restricted investments/funds – external:		
Water fund operations	130	101
Sewerage fund operations	34	49
Total interest and investment income	374	669

Accounting policy

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

B2-6 Other income

\$ '000	Notes	2021	2020
Rental income			
Other lease income			
Staff Housing		16	19
Caravan Park		35	35
Leaseback fees - council vehicles		53	61
Other facilities		24	37
Total Other lease income		128	152
Total rental income	C2-2	128	152
Total other income		128	152

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2021	2020
Salaries and wages	6,127	5,935
Employee leave entitlements (ELE)	1,271	1,206
ELE on-costs	78	24
Superannuation – defined contribution plans	568	558
Superannuation – defined benefit plans	144	157
Workers' compensation insurance	267	143
Fringe benefit tax (FBT)	30	34
Protective clothing	24	34
Other	95	57
Total employee costs	8,604	8,148
Less: capitalised costs	(460)	(531)
Total employee costs expensed	8,144	7,617
Number of 'full-time equivalent' employees (FTE) at year end	97	98

Accounting policy

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

Retirement benefit obligations

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

Superannuation plans

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

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

B3-2 Materials and services

\$ '000	Notes	2021	2020
Raw materials and consumables		4,307	4,320
Contractor and consultancy costs		242	144
– Domestic waste and recycling collection contract		423	491
Audit Fees ¹	F2-1	65	94
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	F1-2	165	219
Advertising		77	57
Bank charges		48	39
Cleaning		6	6
Electricity and heating		330	351
Insurance		430	376
Street lighting		188	186
Subscriptions and publications		46	10
Telephone and communications		78	58
Valuation fees		40	39
Travel expenses		221	237
Training costs (other than salaries and wages)		101	213
Other expenses		167	90
Legal expenses:			
– Legal expenses: planning and development		25	18
– Legal expenses: debt recovery		33	42
Total materials and services		6,992	6,990
Total materials and services		6,992	6,990

B3-3 Borrowing costs

(i) Interest bearing liability costs

Interest on loans		79	41
Total interest bearing liability costs		79	41
Total interest bearing liability costs expensed		79	41

(ii) Other borrowing costs

Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	C3-5	(2)	216
Total other borrowing costs		(2)	216
Total borrowing costs expensed		77	257

Accounting policy

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

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

\$ '000	Notes	2021	2020
Depreciation and amortisation			
Plant and equipment		911	819
Office equipment		23	21
Land improvements (depreciable)		54	54
Infrastructure:	C1-6		
– Buildings – non-specialised		11	–
– Buildings – specialised		638	573
– Roads		2,615	2,641
– Bridges		108	107
– Footpaths		74	74
– Stormwater drainage		242	250
– Water supply network		673	681
– Sewerage network		601	610
– Swimming pools		47	65
– Other open space/recreational assets		287	178
– Aerodrome		106	–
Other assets:			
– Heritage collections		1	1
– Library books		24	27
– Other		114	107
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	C3-5,C1-6	13	13
– Quarry assets	C3-5,C1-6	4	4
Total gross depreciation and amortisation costs		6,546	6,225
Total depreciation and amortisation costs		6,546	6,225
Total depreciation, amortisation and impairment for non-financial assets		6,546	6,225

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 no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

Other assets 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.

B3-5 Other expenses

\$ '000	Notes	2021	2020
Impairment of receivables			
Other		5	9
Total impairment of receivables	C1-4	5	9
Other			
Contributions/levies to other levels of government			
– Emergency services levy (includes FRNSW, SES, and RFS levies)		260	205
Donations, contributions and assistance to other organisations (Section 356)			
– Heritage and cultural programs		27	18
– Public halls and community facilities		14	28
– Riverina and Murray Regional Organisation of Councils		17	17
– Sporting grounds		63	60
– Swimming pools		148	98
– Tourism and area promotion		34	67
– Other		1	11
Total other		564	504
Total other expenses		569	513

Accounting policy

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

Impairment expenses are recognised when identified.

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

\$ '000	Notes	2021	2020
Gain (or loss) on disposal of plant and equipment	C1-6		
Proceeds from disposal – plant and equipment		448	291
Less: carrying amount of plant and equipment assets sold/written off		(67)	(224)
Gain (or loss) on disposal		381	67
Gain (or loss) on disposal of infrastructure	C1-6		
Proceeds from disposal – infrastructure		–	–
Less: carrying amount of infrastructure written off		(1,692)	(1,217)
Gain (or loss) on disposal		(1,692)	(1,217)
Gain (or loss) on disposal of real estate assets held for sale	C1-5		
Proceeds from disposal – real estate assets		83	870
Less: carrying amount of real estate assets sold/written off		(7)	(278)
Gain (or loss) on disposal		76	592
Net gain (or loss) on disposal of assets		(1,235)	(558)

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

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

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

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

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----	
REVENUES				
Rates and annual charges	10,532	10,938	406	4% F
User charges and fees	1,743	2,746	1,003	58% F
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. In particular this year Council seen a high volume of Development Applications.				
Other revenues	575	892	317	55% F
Council budgets for other revenues conservatively as other revenue 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.				
Operating grants and contributions	7,529	8,181	652	9% F
Capital grants and contributions	982	6,397	5,415	551% F
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.				
Interest and investment revenue	752	374	(378)	(50)% U
Investment yields decreased substantially from what was originally budgeted due to the decline in Interest Rates on Term Deposits. As Council reinvested in Term Deposits the interest rates on offer were much lower than budgeted for.				
Other income	-	128	128	∞ F
Council did not budget for other income.				

B5-1 Material budget variations (continued)

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----	
EXPENSES				
Employee benefits and on-costs	4,849	8,144	(3,295)	(68)% U
Council did not budget accordingly for Employee Benefits and on-costs.				
Materials and services	6,465	6,992	(527)	(8)% U
Borrowing costs	186	77	109	59% F
Council delayed on loan drawdowns due to project delays.				
Depreciation, amortisation and impairment of non-financial assets	6,100	6,546	(446)	(7)% U
Other expenses	2,304	569	1,735	75% F
Council did not budget accordingly for other expenses.				
Net losses from disposal of assets	-	1,235	(1,235)	∞ U
Council did not budget for net losses from disposal of assets.				
STATEMENT OF CASH FLOWS				
Cash flows from operating activities	8,483	13,412	4,929	58% F
Council operationally performed better than budgeted.				
Cash flows from investing activities	(7,869)	(13,559)	(5,690)	72% U
Council invested a substantial amount of money into infrastructure, property, plant and equipment due to increased grant funding throughout the year. Steady cashflow allowed Council to further invest in Term Deposits.				
Cash flows from financing activities	7,234	3,586	(3,648)	(50)% U

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2021	2020
Cash and cash equivalents		
Cash on hand and at bank	14,684	11,245
Total cash and cash equivalents	14,684	11,245

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	14,684	11,245
Balance as per the Statement of Cash Flows	14,684	11,245

Accounting policy

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

C1-2 Financial investments

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Debt securities at amortised cost				
Long term deposits	28,026	-	27,046	-
Total	28,026	-	27,046	-
Total financial investments	28,026	-	27,046	-
Total cash assets, cash equivalents and investments	42,710	-	38,291	-

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

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and

C1-2 Financial investments (continued)

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Council's financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position. Term deposits with an initial term of more than 3 months are classified as investments rather than cash and cash equivalents.

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

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

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 cash, cash equivalents and investments

\$ '000	2021		2020	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	42,710	–	38,291	–
attributable to:				
External restrictions	30,709	–	24,675	–
Internal restrictions	4,599	–	5,560	–
Unrestricted	7,402	–	8,056	–
	42,710	–	38,291	–

\$ '000	2021	2020
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Details of restrictions

External restrictions – included in liabilities

Specific purpose unexpended grants – general fund	1,114	622
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External restrictions – included in liabilities

	1,114	622
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External restrictions – other

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

Developer contributions – general	847	600
Specific purpose unexpended grants (recognised as revenue) – general fund	55	335
Water fund	19,936	11,829
Sewer fund	3,949	7,108
Domestic waste management	4,808	4,181
External restrictions – other	29,595	24,053

Total external restrictions

	30,709	24,675
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Internal restrictions

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

Plant and vehicle replacement	1,639	1,340
Employees leave entitlement	389	389
Aerodrome	381	332
Capital works reserve	1,203	2,491
Information technology	550	500
Levee bank construction	–	71
Risk management	363	363
Tourism events	74	74
Total internal restrictions	4,599	5,560

Total restrictions

	35,308	30,235
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Internal restrictions over cash, cash equivalents and investments are those assets restricted only by a resolution of the elected Council.

C1-4 Receivables

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Purpose				
Rates and annual charges	474	-	570	-
User charges and fees	328	-	549	-
Accrued revenues				
– Interest on investments	114	-	196	-
– Other income accruals	180	-	180	-
Government grants and subsidies	1,850	-	248	-
Net GST receivable	10	-	-	-
Total	2,956	-	1,743	-
Total net receivables	2,956	-	1,743	-
Externally restricted receivables				
Water supply				
– Rates and availability charges	172	-	221	-
Sewerage services				
– Rates and availability charges	86	-	93	-
Total external restrictions	258	-	314	-
Unrestricted receivables	2,698	-	1,429	-
Total net receivables	2,956	-	1,743	-

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

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

The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

Collectability of receivables is reviewed on an ongoing basis.

Debts that are known to be uncollectable are written off by reducing the carrying amount directly.

An allowance account (provision for impairment of receivables) is used when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 120 days overdue) are considered indicators that the receivable is impaired.

When a receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Income Statement.

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	2021 Current	2021 Non-current	2020 Current	2020 Non-current
(i) Inventories at cost				
Real estate for resale	12	-	18	-
Stores and materials	218	-	257	-
Total inventories at cost	230	-	275	-
Total inventories	230	-	275	-

Externally restricted assets

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Water				
Stores and materials	85	-	109	-
Total water	85	-	109	-
Sewerage				
Stores and materials	12	-	17	-
Total sewerage	12	-	17	-
Total externally restricted assets	97	-	126	-
Total unrestricted assets	133	-	149	-
Total inventories	230	-	275	-

C1-5 Inventories (continued)

(i) Other disclosures

\$ '000	Notes	2021 Current	2021 Non-current	2020 Current	2020 Non-current
(a) Details for real estate development					
Residential		12	-	18	-
Total real estate for resale		12	-	18	-
(Valued at the lower of cost and net realisable value)					
Represented by:					
Acquisition costs		12	-	18	-
Total costs		12	-	18	-
Total real estate for resale		12	-	18	-
Movements:					
Real estate assets at beginning of the year		18	-	111	185
- Purchases and other costs		1	-	-	-
- WDV of sales (expense)	B4-1	(7)	-	(278)	-
- Transfer between current/non-current		-	-	185	(185)
Total real estate for resale		12	-	18	-

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 2020			Asset movements during the reporting period								At 30 June 2021		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	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
Land:														
– 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
Infrastructure:														
– 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 & Culverts	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
Other assets:														
– 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
Reinstatement, rehabilitation and restoration assets (refer Note 11):														
– Tip assets	449	(93)	356	–	–	–	(13)	–	–	(2)	–	447	(105)	342
– Quarry assets	46	(34)	12	–	–	–	(4)	–	–	–	–	46	(38)	8
Total infrastructure, property, plant and equipment	424,195	(121,231)	302,964	7,666	7,085	(1,759)	(6,546)	–	–	(16,608)	52,663	448,532	(105,233)	343,299

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

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

By aggregated asset class	At 1 July 2019			Asset movements during the reporting period								At 30 June 2020		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	3,508	–	3,508	3,521	90	–	–	(3,345)	–	–	–	3,774	–	3,774
Plant and equipment	7,940	(4,929)	3,011	–	1,534	(224)	(819)	10	–	–	–	8,731	(5,220)	3,511
Office equipment	690	(594)	96	–	22	–	(21)	–	–	–	–	711	(614)	97
Land:														
– Operational land	9,276	–	9,276	–	–	–	–	–	(2,489)	–	477	7,264	–	7,264
– Community land	271	–	271	–	–	–	–	–	(25)	–	37	283	–	283
– Crown land	–	–	–	–	–	–	–	–	2,777	(2)	–	2,775	–	2,775
– Land under roads (post 30/6/08)	234	–	234	–	–	–	–	–	–	(125)	–	109	–	109
Land improvements – depreciable	1,058	(239)	819	–	–	–	(54)	–	(210)	–	–	847	(292)	555
Infrastructure:														
– Buildings – non-specialised	639	(11)	628	–	–	–	–	–	(628)	–	672	677	(5)	672
– Buildings – specialised	41,766	(12,638)	29,128	1,069	1,407	(186)	(573)	536	644	(374)	–	45,130	(13,478)	31,652
– Roads	156,397	(43,296)	113,101	1,870	386	(776)	(2,641)	2,124	(13)	–	–	159,725	(45,674)	114,051
– Bridges	7,987	(4,568)	3,419	–	–	–	(107)	–	(4)	–	–	7,970	(4,662)	3,308
– Footpaths	4,623	(1,239)	3,384	32	199	(71)	(74)	25	–	–	–	4,781	(1,286)	3,495
– Bulk earthworks (non-depreciable)	3,308	–	3,308	108	–	–	–	15	–	–	–	3,431	–	3,431
– Stormwater drainage	23,175	(4,887)	18,288	–	361	(82)	(250)	–	(52)	–	–	23,379	(5,114)	18,265
– Water supply network	48,607	(21,288)	27,319	99	49	–	(681)	132	–	–	18,745	62,652	(16,989)	45,663
– Sewerage network	42,597	(23,828)	18,769	285	–	(85)	(610)	–	–	–	26,564	62,024	(17,101)	44,923
– Swimming pools	2,952	(1,412)	1,540	–	–	–	(65)	–	2	–	493	3,295	(1,325)	1,970
– Other open space/recreational assets	9,767	(4,365)	5,402	587	–	–	(178)	503	(531)	–	1,444	10,125	(2,898)	7,227
Other assets:														
– Heritage collections	70	(3)	67	–	–	–	(1)	–	–	–	2	75	(6)	69
– Library books	274	(116)	158	–	27	(17)	(27)	–	–	–	–	236	(95)	141
– Other	8,838	(6,003)	2,835	168	–	–	(107)	–	529	–	5,936	15,706	(6,345)	9,361
Reinstatement, rehabilitation and restoration assets (refer Note C3-5):														
– Tip assets	433	(80)	353	–	–	–	(13)	–	–	–	16	449	(93)	356
– Quarry assets	46	(30)	16	–	–	–	(4)	–	–	–	1	46	(34)	12
Total infrastructure, property, plant and equipment	374,456	(129,526)	244,930	7,739	4,075	(1,441)	(6,225)	–	–	(501)	54,387	424,195	(121,231)	302,964

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

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

Accounting policy

Infrastructure, property, plant and equipment are held at fair value. Independent 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.

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:

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	20 to 60
Computer equipment	4		
Vehicles	5 to 8	Buildings	
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
Water and sewer assets		Stormwater assets	
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		
Transportation assets		Other infrastructure assets	
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.

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.

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

Rural Fire Service assets

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

These assets are under the control of RFS to enable that service to comply with the Service Delivery contract with Council and have not been recognised in these statements.

Until such time as discussions on this matter have concluded and the legislation changed, Council will not recognise rural fire service assets including land, buildings, plant and vehicles.

Externally restricted infrastructure, property, plant and equipment

\$ '000	as at 30/06/21			as at 30/06/20		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
Water supply						
WIP	561	–	561	1,694	–	1,694
Plant and equipment	–	–	–	7	7	–
Office equipment	7	7	–	149	–	149
Land						
– Operational land	668	–	668	670	–	670
Buildings	14	12	2	10	8	2
Infrastructure	51,643	17,236	34,407	62,905	17,008	45,897
Total water supply	52,893	17,255	35,638	65,435	17,023	48,412
Sewerage services						
WIP	465	–	465	2	–	2
Plant and equipment	163	163	–	163	152	11
Land						
– Operational land	1,284	–	1,284	1,488	–	1,488
Buildings	4	1	3	254	14	240
Infrastructure	61,192	19,944	41,248	61,428	17,034	44,394
Total sewerage services	63,108	20,108	43,000	63,335	17,200	46,135
Domestic waste management						
Land						
Total restricted infrastructure, property, plant and equipment	116,001	37,363	78,638	128,770	34,223	94,547

Infrastructure, property, plant and equipment – current year impairments

\$ '000	2021	2020
(iii) Impairment losses recognised direct to gains/(losses) in P/L:		
Old Motel and Hardware Store - Tocumwal - Due for demolition in 2021/2022 to make way for Car Park	(323)	–
Total impairment losses	(323)	–
Impairment of assets – gains/(losses) in P/L	(323)	–

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	2021	2020
Expenses relating to Peppercorn leases	1	1
	<u>1</u>	<u>1</u>

(b) Statement of Cash Flows

Total cash outflow for leases	1	1
	<u>1</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	2021	2020
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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)	128	152
Total income relating to operating leases for Council assets	128	152

Reconciliation of IPPE assets leased out as operating leases

\$ '000	Land 2021	Land 2020	Buildings & Oth Structures 2021	Buildings & Oth Structures 2020
Opening balance as at 1 July	784	784	6,467	4,108
Additions renewals	-	-	-	20
Depreciation expense	-	-	(91)	12
Revaluation decrements to equity (ARR)	(212)	-	-	-
Revaluation increments to equity (ARR)	-	-	21	2,327
Closing balance as at 30 June	572	784	6,397	6,467

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	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Payables				
Goods and services – operating expenditure	749	–	668	–
Goods and services – capital expenditure	–	–	524	–
Accrued expenses:				
– Salaries and wages	211	–	181	–
– Other expenditure accruals	40	–	23	–
Security bonds, deposits and retentions	353	–	273	–
Prepaid rates	336	–	306	–
Total payables	1,689	–	1,975	–
Total payables	1,689	–	1,975	–

Payables relating to restricted assets

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Externally restricted assets				
Water	63	–	5	–
Payables relating to externally restricted assets	63	–	5	–
Total payables relating to restricted assets	63	–	5	–
Total payables relating to unrestricted assets	1,626	–	1,970	–
Total payables	1,689	–	1,975	–

Accounting policy

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

Payables

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

C3-2 Contract Liabilities

\$ '000	Notes	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	1,064	–	622	–
Total grants received in advance		1,064	–	622	–
Total contract liabilities		1,064	–	622	–

Notes

C3-2 Contract Liabilities (continued)

(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.

Contract liabilities relating to restricted assets

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Externally restricted assets				
Unspent grants held as contract liabilities (excl. Water & Sewer)	1,064	-	622	-
Contract liabilities relating to externally restricted assets	1,064	-	622	-
Total contract liabilities relating to restricted assets	1,064	-	622	-
Total contract liabilities	1,064	-	622	-

C3-2 Contract Liabilities (continued)

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

\$ '000	2021	2020
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	622	473
Total revenue recognised that was included in the contract liability balance at the beginning of the period	622	473

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	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Loans – secured ¹	644	4,768	259	1,567
Total borrowings	644	4,768	259	1,567

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

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

Borrowings relating to restricted assets

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Externally restricted assets				
Water	376	3,486	–	–
Borrowings relating to externally restricted assets	376	3,486	–	–
Total borrowings relating to restricted assets	376	3,486	–	–
Total borrowings relating to unrestricted assets	268	1,282	259	1,567
Total borrowings	644	4,768	259	1,567

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

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

C3-3 Borrowings (continued)

Changes in liabilities arising from financing activities

	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
Total liabilities from financing activities	1,826	(414)	4,000	–	–	–	5,412

	2019		Non-cash movements				2020
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
\$ '000							
Loans – secured	994	(168)	1,000	–	–	–	1,826
Total liabilities from financing activities	994	(168)	1,000	–	–	–	1,826

Accounting policy

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

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

C3-4 Employee benefit provisions

\$ '000	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
Annual leave	896	–	824	–
Long service leave	1,392	159	1,562	118
Other leave	106	–	94	–
ELE on-costs	260	13	188	7
Total employee benefit provisions	2,654	172	2,668	125

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

\$ '000	2021	2020
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	1,610	1,411
	1,610	1,411

Description of and movements in provisions

\$ '000	ELE provisions				Total
	Annual leave	Long service leave	ELE on-costs	Other employee benefits	
2021					
At beginning of year	824	1,680	195	94	2,793
Additional provisions	72	–	78	12	162
Amounts used (payments)	–	(129)	–	–	(129)
Total ELE provisions at end of year	896	1,551	273	106	2,826
2020					
At beginning of year	794	1,565	–	22	2,381
Additional provisions	324	428	–	89	841
Amounts used (payments)	(294)	(313)	–	(17)	(624)
Other	–	–	195	–	195
Total ELE provisions at end of year	824	1,680	195	94	2,793

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.

C3-4 Employee benefit provisions (continued)

On-costs

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

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

C3-5 Provisions

\$ '000	2021 Current	2021 Non-Current	2020 Current	2020 Non-Current
Asset remediation/restoration:				
Asset remediation/restoration (future works)	34	562	34	563
Sub-total – asset remediation/restoration	34	562	34	563
Total provisions	34	562	34	563
Provisions relating to restricted assets				
Total provisions relating to restricted assets	–	–	–	–
Total provisions relating to unrestricted assets	34	562	34	563
Total provisions	34	562	34	563

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

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

Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Net carrying amount
2021		
At beginning of year	597	597
Unwinding of discount	(2)	(2)
Total other provisions at end of year	595	595
2020		
At beginning of year	381	381
Unwinding of discount	216	216
Total other provisions at end of year	597	597

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

Infrastructure, property, plant and equipment revaluation reserve

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

D Council structure

D1 Results by fund

General fund refers to all Council activities other than water and sewer. All amounts disclosed in this note are gross i.e. inclusive of internal charges and recoveries made between the funds. Assets and liabilities shown in the water and sewer columns are restricted for use for these activities.

D1-1 Income Statement by fund

\$ '000	General 2021	Water 2021	Sewer 2021
Income from continuing operations			
Rates and annual charges	6,675	2,116	2,147
User charges and fees	1,439	1,239	68
Interest and investment revenue	210	130	34
Other revenues	412	436	44
Grants and contributions provided for operating purposes	8,181	–	–
Grants and contributions provided for capital purposes	6,119	212	66
Other income	128	–	–
Total income from continuing operations	23,164	4,133	2,359
Expenses from continuing operations			
Employee benefits and on-costs	7,322	464	358
Materials and services	4,828	1,224	940
Borrowing costs	53	24	–
Depreciation, amortisation and impairment of non-financial assets	5,242	690	614
Other expenses	(21)	319	271
Net losses from the disposal of assets	991	149	95
Total expenses from continuing operations	18,415	2,870	2,278
Operating result from continuing operations	4,749	1,263	81
Net operating result for the year	4,749	1,263	81
Net operating result attributable to each council fund	4,749	1,263	81
Net operating result for the year before grants and contributions provided for capital purposes	(1,370)	1,051	15

D1-2 Statement of Financial Position by fund

\$ '000	General 2021	Water 2021	Sewer 2021
ASSETS			
Current assets			
Cash and cash equivalents	6,799	5,936	1,949
Investments	12,026	14,000	2,000
Receivables	2,361	172	423
Inventories	133	85	12
Other	51	–	–
Total current assets	21,370	20,193	4,384
Non-current assets			
Receivables	–	–	3,263
Infrastructure, property, plant and equipment	264,661	35,638	43,000
Total non-current assets	264,661	35,638	46,263
TOTAL ASSETS	286,031	55,831	50,647
LIABILITIES			
Current liabilities			
Payables	1,600	89	–
Contract liabilities	1,064	–	–
Borrowings	361	619	–
Employee benefit provision	2,654	–	–
Provisions	34	–	–
Total current liabilities	5,713	708	–
Non-current liabilities			
Borrowings	2,206	5,825	–
Employee benefit provision	172	–	–
Provisions	562	–	–
Total non-current liabilities	2,940	5,825	–
TOTAL LIABILITIES	8,653	6,533	–
Net assets	277,378	49,298	50,647
EQUITY			
Accumulated surplus	90,487	27,128	10,782
Revaluation reserves	187,227	22,170	39,865
Council equity interest	277,714	49,298	50,647
Total equity	277,714	49,298	50,647

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)	\$1,000,000	\$2,600,000
Total repaid during year (principal and interest) (\$'000)	NIL	NIL
Principal outstanding at end of year (\$'000)	\$1,000,000	\$2,600,000

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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

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

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

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

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

\$ '000	Carrying value 2021	Carrying value 2020	Fair value 2021	Fair value 2020
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	14,684	11,245	14,684	11,245
Receivables	2,956	1,743	2,956	1,743
Investments				
– Debt securities at amortised cost	28,026	27,046	28,026	27,046
Total financial assets	45,666	40,034	45,666	40,034
Financial liabilities				
Payables	1,689	1,975	1,689	1,975
Loans/advances	5,412	1,826	5,412	1,826
Total financial liabilities	7,101	3,801	7,101	3,801

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 Ministerial investment order made subject to S625. 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

\$ '000	2021	2020
<p>The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.</p>		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	280	270
Impact of a 10% movement in price of investments		
– Equity / Income Statement	–	–

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

(b) Credit risk

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

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

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	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2021						
Gross carrying amount	–	392	46	13	23	474
2020						
Gross carrying amount	–	487	44	31	8	570

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2021						
Gross carrying amount	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	–	–	–	–	–	–
2020						
Gross carrying amount	622	469	5	1	76	1,173
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 cash outflows	Actual carrying values
2021							
Trade/other payables	0.00%	353	1,000	–	–	1,353	1,353
Loans and advances	2.20%	–	644	1,139	3,629	5,412	5,412
Total financial liabilities		353	1,644	1,139	3,629	6,765	6,765
2020							
Trade/other payables	0.00%	273	1,396	–	–	1,669	1,669
Loans and advances	3.29%	–	258	1,157	411	1,826	1,826
Total financial liabilities		273	1,654	1,157	411	3,495	3,495

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	
		2021	2020	2021	2020	2021	2020	2021	2020
Recurring fair value measurements									
Infrastructure, property, plant and equipment C1-6									
		30/06/21	30/06/20	–	–	3,612	3,511	3,612	3,511
		30/06/21	30/06/20	–	–	99	97	99	97
		30/06/21	30/06/20	–	–	6,424	7,264	6,424	7,264
		30/06/21	30/06/20	–	–	1,026	283	1,026	283
		30/06/21	30/06/20	–	–	2,396	2,775	2,396	2,775
		30/06/21	30/06/20	–	–	109	109	109	109
		30/06/14	30/06/14	–	–	501	555	501	555
		30/06/21	30/06/20	–	–	644	672	644	672
		30/06/21	30/06/20	–	–	32,344	31,652	32,344	31,652
		30/06/21	30/06/19	–	–	150,706	114,051	150,706	114,051
		30/06/21	30/06/19	–	–	7,003	3,308	7,003	3,308
		30/06/21	30/06/19	–	–	3,827	3,495	3,827	3,495
		30/06/21	30/06/19	–	–	12,195	3,431	12,195	3,431
		30/06/21	30/06/19	–	–	19,986	18,265	19,986	18,265
		30/06/21	30/06/20	–	–	34,185	45,663	34,185	45,663
		30/06/21	30/06/20	–	–	41,536	44,923	41,536	44,923
		30/06/21	30/06/20	–	–	1,936	1,970	1,936	1,970
		30/06/21	30/06/20	–	–	7,757	12	7,757	12
		30/06/21	30/06/20	–	–	6,400	–	6,400	–
		30/06/21	30/06/20	–	–	68	7,227	68	7,227
		30/06/18	30/06/18	–	–	126	69	126	69
		30/06/21	30/06/20	–	–	3,101	141	3,101	141
		30/06/21	30/06/20	–	–	342	9,361	342	9,361
		30/06/21	30/06/20	–	–	8	356	8	356
				–	–	336,331	299,190	336,331	299,190
Total infrastructure, property, plant and equipment									

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.

There were no transfers in or out of level 1 and level 2 fair valuation hierarchy

E2-1 Fair value measurement (continued)

Valuation techniques

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

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

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, as well as input from APV Valuers and Asset Management Pty Ltd.

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 at depreciated historical cost, and remediation costs are estimated in House by Mr Matthew Clarke, Director of Technical Services, 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 of Technical Services 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
Infrastructure, property, plant and equipment		
Plant & Equipment	Cost Approach	<ul style="list-style-type: none"> • Gross Replacement Cost • Remaining Useful Life
Office Equipment	Cost Approach	<ul style="list-style-type: none"> • Gross Replacement Cost • Remaining Useful Life
Aerodrome	Cost Approach	<ul style="list-style-type: none"> • Gross Replacement Cost • Remaining Useful Life
Operational Land	Market Approach	<ul style="list-style-type: none"> • Price per square metre, Land area, zoning, geographical location, sales of comparable land
Community Land	Market Approach	<ul style="list-style-type: none"> • Price per square metre, Land area, zoning, geographical location, sales of comparable land
Land under Roads (post 30/06/08)	Market Approach	<ul style="list-style-type: none"> • Price per square metre, Land area, zoning, geographical location, sales of comparable land • Alternate Uses
Land Improvements - Depreciable	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life
Buildings – Non Specialised	Market Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life
Buildings - Specialised	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life
Roads	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life
Bridges	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life
Footpaths	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life
Bulk Earthworks	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life
Stormwater Drainage	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life
Water Supply Network	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life
Sewer Network	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life

E2-1 Fair value measurement (continued)

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

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

\$ '000	Operational Land		Community Land		Crown Land		Depreciable land improvements	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	7,264	9,276	283	271	2,775	–	555	819
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	(1,040)	(2,489)	743	(25)	297	2,777	–	(210)
Purchases (GBV)	495	–	–	–	–	–	–	–
Depreciation and impairment	–	–	–	–	–	–	(54)	(54)
Revaluation	(295)	477	–	37	(676)	(2)	–	–
Closing balance	6,424	7,264	1,026	283	2,396	2,775	501	555

\$ '000	Land under roads		Buildings non-specialised		Building specialised		Plant and equipment	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	109	234	672	628	31,652	29,128	3,511	3,011
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	–	–	–	(628)	–	645	(1)	–
Purchases (GBV)	–	–	–	–	1,476	3,012	1,059	1,543
Disposals (WDV)	–	–	–	–	(349)	(186)	(46)	(224)
Depreciation and impairment	–	–	(11)	–	(638)	(573)	(911)	(819)
Revaluation	–	(125)	(17)	672	203	(374)	–	–
Closing balance	109	109	644	672	32,344	31,652	3,612	3,511

E2-1 Fair value measurement (continued)

\$ '000	Office equipment		Roads		Bridges		Footpaths	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	97	96	114,051	113,101	3,308	3,419	3,495	3,384
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	(1)	–	(1)	(13)	(1)	(4)	–	–
Purchases (GBV)	26	22	2,136	4,380	–	–	226	256
Disposals (WDV)	–	–	(514)	(776)	–	–	(17)	(71)
Depreciation and impairment	(23)	(21)	(2,615)	(2,641)	(108)	(107)	(74)	(74)
Revaluation	–	–	37,649	–	3,804	–	197	–
Closing balance	99	97	150,706	114,051	7,003	3,308	3,827	3,495

\$ '000	Bulk earth		Stormwater drainage		Water supply network		Sewerage network	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	3,431	3,308	18,265	18,288	45,663	27,319	44,923	18,769
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	–	–	1	(52)	1	–	–	–
Purchases (GBV)	–	123	98	361	1,874	280	104	285
Disposals (WDV)	–	–	–	(82)	(149)	–	(95)	(85)
Depreciation and impairment	–	–	(242)	(250)	(673)	(681)	(601)	(610)
Revaluation	8,764	–	1,864	–	(12,531)	18,745	(2,795)	26,564
Closing balance	12,195	3,431	19,986	18,265	34,185	45,663	41,536	44,923

E2-1 Fair value measurement (continued)

\$ '000	Swimming pools		Heritage collections		Library books		Other assets	
	2021	2020	2021	2020	2021	2020	2021	2020
Opening balance	1,970	1,540	68	67	141	158	16,588	8,237
Total gains or losses for the period								
Other movements								
Transfers from/(to) another asset class	(1)	2	1	–	(1)	–	(6,337)	(2)
Purchases (GBV)	–	–	–	–	30	27	1,869	1,258
Disposals (WDV)	–	–	–	–	(20)	(17)	(569)	–
Depreciation and impairment	(47)	(65)	(1)	(1)	(24)	(27)	(401)	(285)
Revaluation	14	493	–	2	–	–	(292)	7,380
Closing balance	1,936	1,970	68	68	126	141	10,858	16,588

\$ '000	Tip and quarry assets		Aerodrome		Total	
	2021	2020	2021	2020	2021	2020
Opening balance	369	369	–	–	299,190	241,422
Transfers from/(to) another asset class	–	–	6,338	–	(2)	1
Purchases (GBV)	–	–	–	–	9,393	11,547
Disposals (WDV)	–	–	–	–	(1,759)	(1,441)
Depreciation and impairment	(17)	(17)	(106)	–	(6,546)	(6,225)
Revaluation	(2)	17	168	–	36,055	53,886
Closing balance	350	369	6,400	–	336,331	299,190

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

There were no FV hierarchy transfer into or out of level 3.

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% of salaries for the year ending 30 June 2021 (increasing to 7.5% 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 additional contributions of \$40 million per annum from 1 July 2019 to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2019. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

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

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

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

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2021 was \$128,790.30. The last valuation of the Scheme was performed by Mr Richard Boyfield, FIAA as at 30 June 2020.

E3-1 Contingencies (continued)

Council's expected contribution to the plan for the next annual reporting period is \$117,580.80.

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

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

* excluding 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 2021.

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

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

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

* Plus promotional increases

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

(ii) Statewide Limited

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

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

The future realisation and finalisation of claims incurred but not reported to 30 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.

2. Other liabilities

(i) Third party claims

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

E3-1 Contingencies (continued)

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

ASSETS NOT RECOGNISED

(i) Land under roads

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

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	2021	2020
Compensation:		
Short-term benefits	629	930
Post-employment benefits	66	108
Total	695	1,038

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

\$ '000	2021	2020
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	27	27
Councillors' fees	97	94
Other Councillors' expenses (including Mayor)	41	98
Total	165	219

F2 Other relationships

F2-1 Audit fees

\$ '000	2021	2020
<p>During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms</p> <p>Auditors of the Council - NSW Auditor-General:</p>		
(i) Audit and other assurance services		
Audit and review of financial statements	65	94
Remuneration for audit and other assurance services	65	94
Total Auditor-General remuneration	65	94
Non NSW Auditor-General audit firms		
Total audit fees	65	94

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of net operating result to cash provided from operating activities

\$ '000	2021	2020
Net operating result from Income Statement	6,093	4,354
Adjust for non-cash items:		
Depreciation and amortisation	6,546	6,225
Net losses/(gains) on disposal of assets	1,235	558
Adoption of AASB 15/1058	-	(473)
Unwinding of discount rates on reinstatement provisions	-	216
+/- Movement in operating assets and liabilities and other cash items:		
Decrease/(increase) in receivables	(1,213)	10
Decrease/(increase) in inventories	39	(79)
Decrease/(increase) in other current assets	-	(14)
Increase/(decrease) in payables	81	210
Increase/(decrease) in other accrued expenses payable	47	(89)
Increase/(decrease) in other liabilities	110	258
Increase/(decrease) in contract liabilities	442	622
Increase/(decrease) in provision for employee benefits	33	412
Increase/(decrease) in other provisions	(1)	-
Net cash provided from/(used in) operating activities from the Statement of Cash Flows	13,412	12,210

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2021	2020
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Plant and equipment	45	1,078
Roadworks	155	81
Sewer Infrastructure	301	133
Water infrastructure	10,604	559
Economic Development	1,250	–
Land & Buildings	677	–
Total commitments	13,032	1,851
These expenditures are payable as follows:		
Within the next year	13,032	1,851
Total payable	13,032	1,851
Sources for funding of capital commitments:		
Unrestricted general funds	654	41
Future grants and contributions	794	40
Externally restricted reserves	11,526	692
Internally restricted reserves	58	1,078
Total sources of funding	13,032	1,851

G3-1 Events occurring after the reporting date

Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

G4 Changes from prior year statements

G4-1 Changes in accounting policy

Voluntary changes in accounting policies

Nature of changes in accounting policies

Council made no changes in accounting policy during the year 30 June 2021.

G4-2 Changes in accounting estimates

Nature and effect of changes in accounting estimates on current year

Council made no changes to accounting estimates during the year ending 30 June 2021.

G5 Statement of developer contributions as at 30 June 2021

G5-1 Summary of developer contributions

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
S7.11 not under plans	132	31	-	-	-	-	163	-
S64 contributions	468	216	-	-	-	-	684	-
Total contributions	600	247	-	-	-	-	847	-

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

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
CONTRIBUTIONS NOT UNDER A PLAN								
Drainage	34	27	-	-	-	-	61	-
Parking	16	3	-	-	-	-	19	-
Open space	82	1	-	-	-	-	83	-
Total	132	31	-	-	-	-	163	-

G5-3 S64 contributions

S64 contributions

Water	440	212	-	-	-	-	652	-
Sewer	28	4	-	-	-	-	32	-
Total	468	216	-	-	-	-	684	-

G6 Statement of performance measures

G6-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2021	Indicator 2021	Indicators 2020 2019		Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	936	4.02%	5.64%	5.59%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	23,259				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ^{1,3}	15,078	50.84%	56.76%	59.29%	> 60.00%
Total continuing operating revenue ¹	29,656				
3. Unrestricted current ratio					
Current assets less all external restrictions	14,883	5.01x	4.33x	6.79x	> 1.50x
Current liabilities less specific purpose liabilities	2,972				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	7,559	15.40x	18.29x	35.07x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	491				
5. Rates and annual charges outstanding percentage ³					
Rates and annual charges outstanding ³	474	4.11%	5.07%	5.84%	< 10.00%
Rates and annual charges collectable	11,537				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	42,710	25.87	27.88	29.32	> 3.00
Monthly payments from cash flow of operating and financing activities	1,651	mths	mths	mths	mths

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

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

(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 ³		Water Indicators		Sewer Indicators		Benchmark
	2021	2020	2021	2020	2021	2020	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(2.61)%	1.61%	30.60%	26.67%	7.85%	(3.28)%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions ¹							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions ^{1,3}	38.27%	43.47%	94.87%	97.32%	97.20%	99.24%	> 60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	4.14x	4.33x	(1.73)x	86.40x	∞	∞	> 1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	15.57x	13.02x	10.69x	164.09x	∞	∞	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates and annual charges outstanding percentage ³							
Rates and annual charges outstanding	3.11%	3.75%	7.35%	9.83%	3.83%	4.27%	< 10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	16.32 mths	20.95 mths	71.78 mths	47.11 mths	17.98 mths	35.79 mths	> 3.00 mths
Monthly payments from cash flow of operating and financing activities							

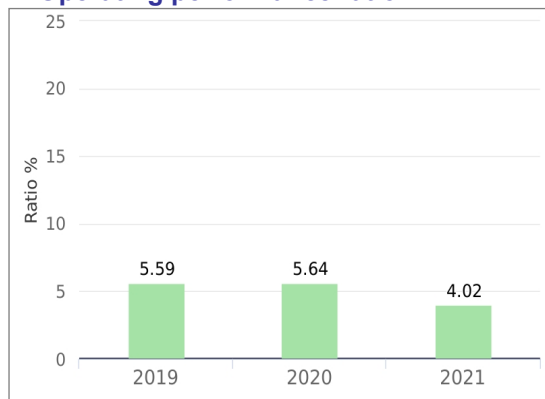
(1) - (2) Refer to Notes at Note G6-1 above.

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

H Additional Council disclosures (unaudited)

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

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2020/21 result

2020/21 ratio 4.02%

The operating performance ratio has seen a slight decrease to 4.02% (2019: 5.60%) due to an increase in depreciation expenses after a comprehensive revaluation of Councils Water and Sewer Assets in the 2020 Financial Year, as Council continues to have its Assets comprehensively revalued increases in Depreciation Expenses are expected to continue.

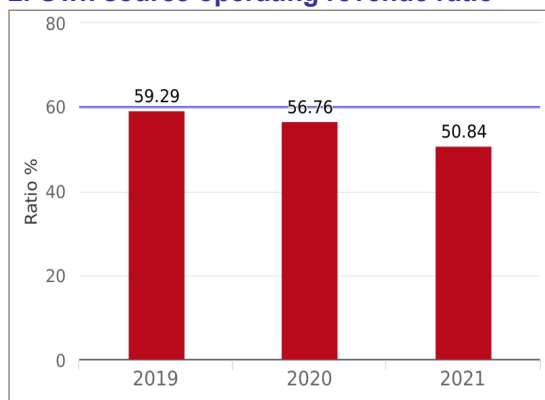
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

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

Commentary on 2020/21 result

2020/21 ratio 50.84%

The own source operating revenue ratio decreased to 50.84% (2019: 56.76%) due to the increase in grant funding.

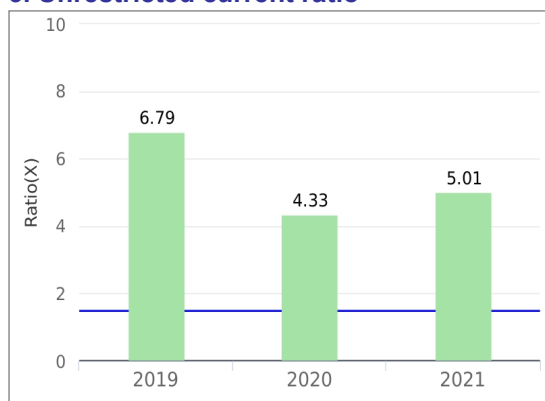
Benchmark: — > 60.00%

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 2020/21 result

2020/21 ratio 5.01x

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

Benchmark: — > 1.50x

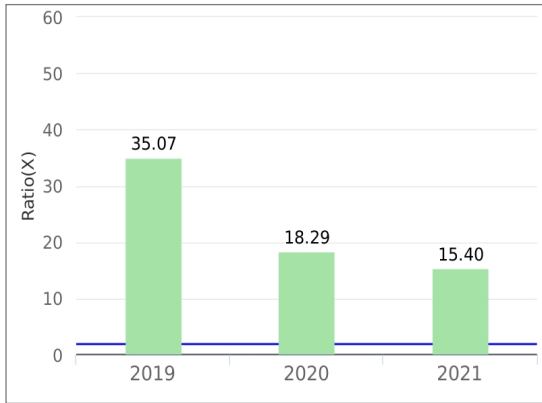
Source of benchmark: Code of Accounting Practice and Financial Reporting

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 2020/21 result

2020/21 ratio 15.40x

The debt service cover ratio has decreased to 15.39% (2019: 18.29%) due to the drawdown of loans this financial year to fund large scale Council projects.

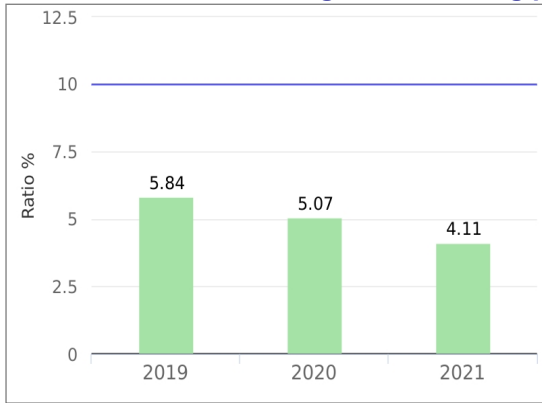
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

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

Commentary on 2020/21 result

2020/21 ratio 4.11%

The rates and annual charges outstanding percentage of 4.11% has decreased from the prior year (2019: 5.07%) due to a successful year of collections.

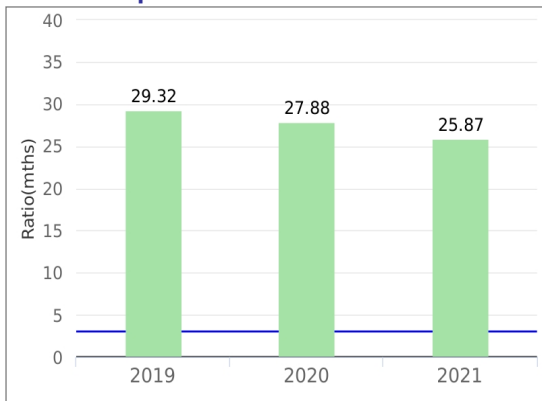
Benchmark: — < 10.00%

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 2020/21 result

2020/21 ratio 25.87 mths

Council's cash expenses cover ratio has decreased slightly to 25.87% (2019: 27.88%). However, Council remains in a strong position.

Benchmark: — > 3.00mths

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

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been prepared, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

The Council's annual report for the year ended 30 June 2021 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the special purpose financial statements and Special Schedule - Permissible income for general rates.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

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

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note B-5 Performance against budget
- 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.



Michael Kharzoo
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

29 October 2021
SYDNEY

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

Contact: Michael Kharzoo
Phone no: (02) 9275 7188
Our ref: D2122944/1692

29 October 2021

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2021
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 2021 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2021 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

SIGNIFICANT AUDIT ISSUES AND OBSERVATIONS

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

Rural fire-fighting equipment not recognised in the financial statements





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

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

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

INCOME STATEMENT

Operating result

	2021	2020	Variance
	\$m	\$m	%
Rates and annual charges revenue	10.9	10.6	 2.8
Grants and contributions revenue	14.6	11.5	 27.0
Operating result from continuing operations	6.1	4.4	 38.6
Net operating result before capital grants and contributions	(0.3)	0.7	 142.9

The Council's operating result from continuing operations (\$6.1 million surplus including depreciation and amortisation expense of \$6.5 million) was \$1.7 million higher than the 2019–20 result. This is as a result of \$3.1m increase in grants and contributions offset by an increase in employee benefits and on-costs expenses and an increase in net losses from the disposal of assets.

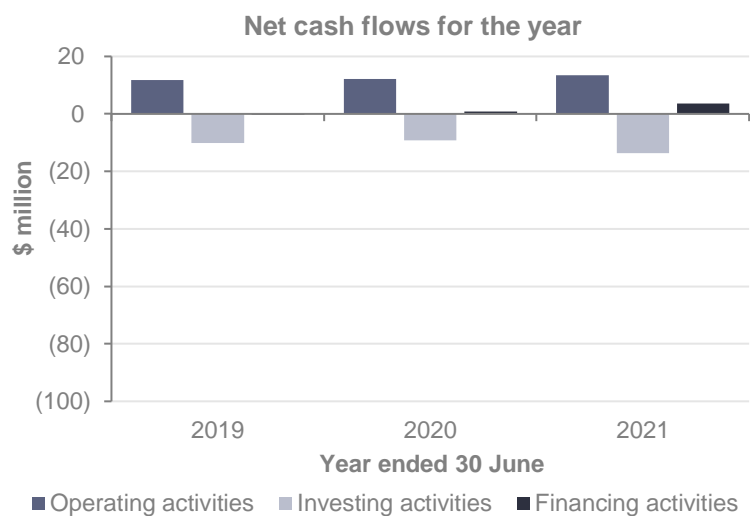
The net operating result before capital grants and contributions (\$0.3 million deficit) was \$1 million lower than the 2019–20 result. This is mainly due to \$0.5 million increase in employee benefits and on-costs and \$0.7 million increase in net losses from the disposal of assets. Rates and annual charges revenue (\$10.9 million) increased by \$0.3 million (2.8 per cent) in 2020–21 due to Council's 2.6% rate peg increase in 2020-21 for general rates.

Grants and contributions revenue (\$14.6 million) increased by \$3.1 million (27 per cent) in 2020–21 due to:

- Increase of \$0.7 million of economic development capital grants received in 2020–21
- Increase of \$1.8 million of transport capital grants received during the 2020-21 year

STATEMENT OF CASH FLOWS

- Council's cash and cash equivalents was \$14.7 million at 30 June 2021 (\$11.2 million at 30 June 2020). There was a net increase in cash and cash equivalents of \$3.5 million during 2020-21 financial year.
- Net cash provided by operating activities has increased by \$1.2 million. This is mainly due to the increase in cash receipts from other grants and contributions of \$2 million.
- Net cash used in investing activities has increased by \$4.4 million, which is driven by the increase in the acquisition of IPP&E of \$1.8 million and an increase of \$1 million in acquisition of term deposits.



FINANCIAL POSITION

Cash and investments

Cash and investments	2021	2020	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	42.7	38.3	<ul style="list-style-type: none"> • Externally restricted cash and investments are restricted in their use by externally imposed requirements. This has increased by \$6.4m from in 2020-21 mainly related to water fund restrictions. • Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect identified programs of works and any forward plans identified by Council. This has reduced by \$1 million due to a reduction in the capital works reserve. • Unrestricted cash and investments are available to provide liquidity for day-to-day operations of the Council. This has decreased by \$1 million in 2020-21.
Restricted cash and investments:			
• External restrictions	30.7	24.7	
• Internal restrictions	7.4	5.6	
• Unrestricted	7.0	8.0	

Debt

Council borrowings have increased by \$3.6m driven by additional drawdowns of \$4 million during 2020-2021.

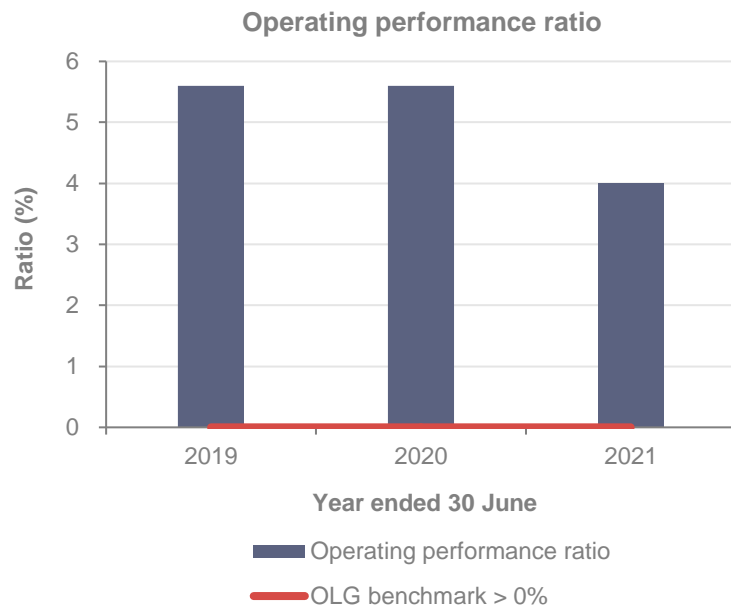
PERFORMANCE

Performance measures

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

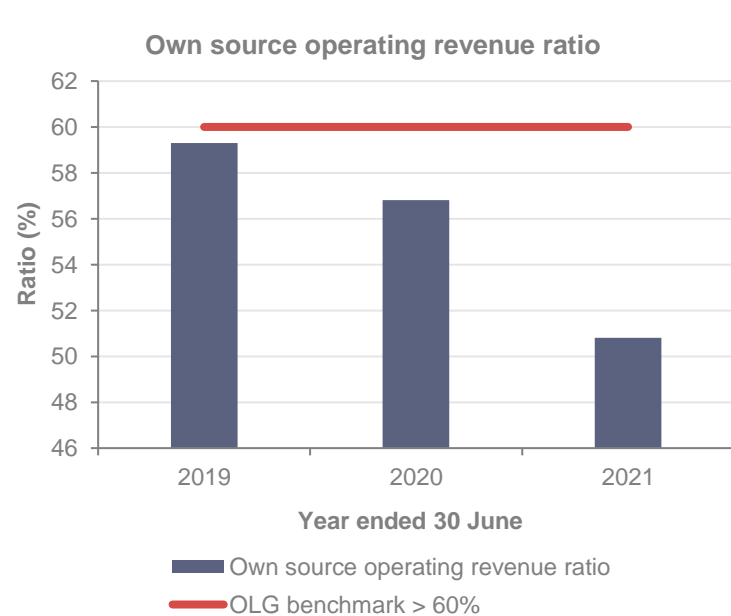
Operating performance ratio

- The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.
- The Council exceeded the OLG benchmark for the current reporting period.
- The operating performance ratio of 4.02 per cent shows Council's ability to consistently exceed the nominated benchmark.



Own source operating revenue ratio

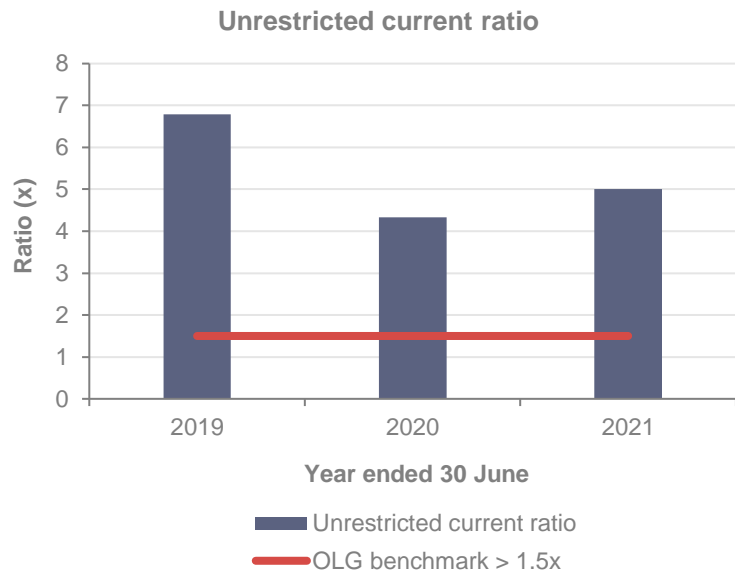
- The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.
- The Council did not meet the OLG benchmark for the current 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 of 50.8 per cent (2019-20: 56.8 per cent) has decreased as Council received more funding from grants and transport based



capital grants in the current year.

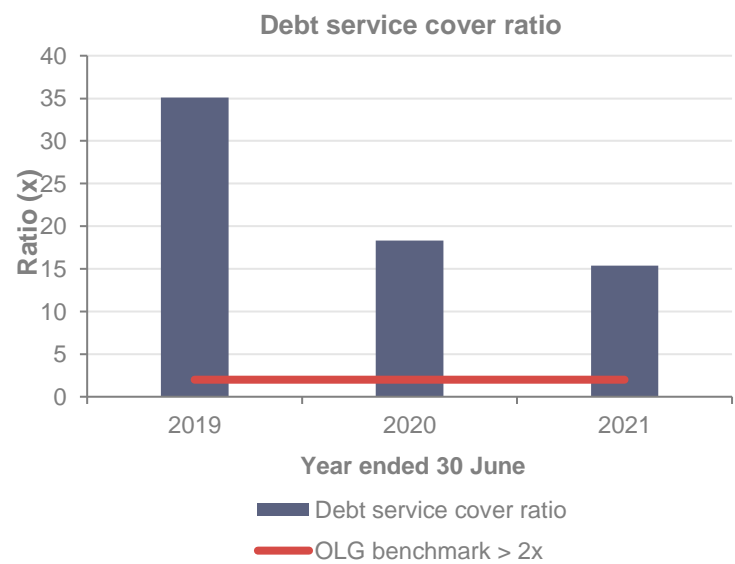
Unrestricted current ratio

- 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 Council's liquidity ratio of 5.01 times is greater than the industry benchmark minimum of greater than 1.5 times. This indicates that the Council has sufficient liquidity to meet its current liabilities as and when they fall due.



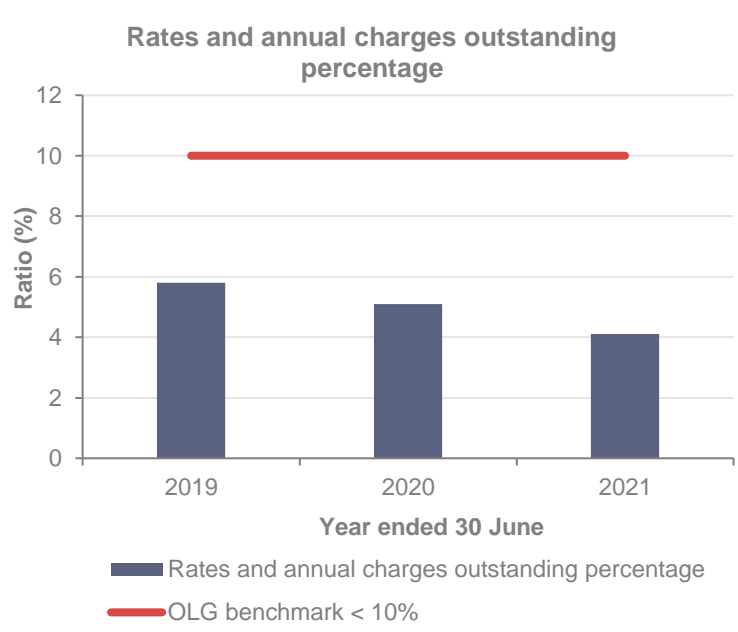
Debt service cover ratio

- 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's debt service cover ratio of 15.4 times is greater than the industry benchmark of greater than 2 times. This indicates that the Council has sufficient operating revenue to service its debt.
- This ratio has decreased compared to 2019-20, due to additional borrowings in 2020-21.



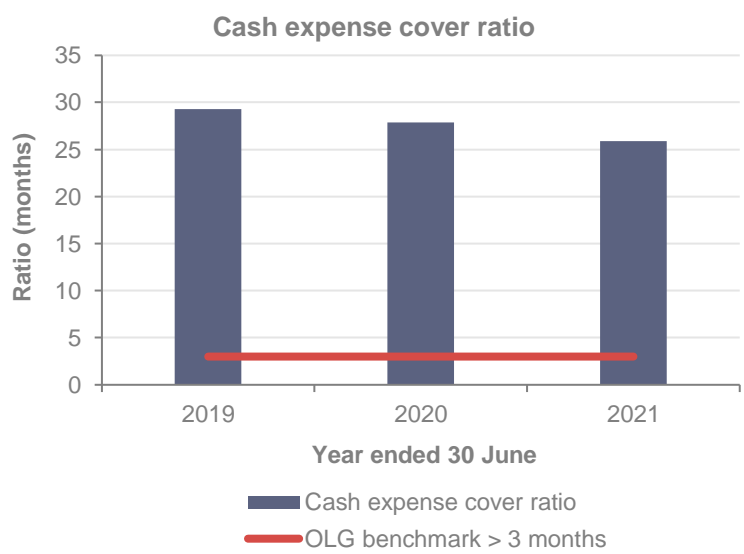
Rates and annual charges outstanding percentage

- The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.
- The Council's rates and annual charges outstanding ratio of 4.11 per cent is within the industry benchmark of less than 10 per cent for regional and rural councils and is a reflection of the sound debt recovery procedures at the Council.



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 25.9 months, which is above the industry benchmark of greater than 3 months. This indicates that Council had the capacity to cover 25.9 months of operating cash expenditure without additional cash inflows as at 30 June 2021.



Infrastructure, property, plant and equipment renewals

The Council renewed \$7.7 million of assets in the 2020-21 financial year, which is consistent with the renewal level from the 2019-20 financial year. The 2020-21 renewals consisted of:

- \$2.1 million for roads;
- \$1.9 million for capital work in progress;
- \$1.8 million for the water supply network; and
- \$1.3 million for other open space/recreational asset renewal.

OTHER MATTERS

Impact of new accounting standards

AASB 1059 'Service Concession Arrangements: Grantors'

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

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

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

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

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

Legislative compliance

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

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



Michael Kharzoo
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

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

Berrigan Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2021

“Making an even better Berrigan Shire”



Berrigan Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2021

Contents	Page
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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 2021

Statement by Councillors and Management

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

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

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

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

- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records.
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

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

Signed in accordance with a resolution of Council made on 20 October 2021.



Matthew Hannan

Mayor

20 October 2021



Daryll Morris

Councillor

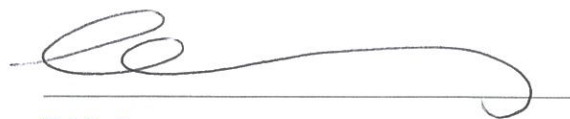
20 October 2021



Karina Ewer

Chief Executive Officer

20 October 2021



Tahlia Fry

Responsible Accounting Officer

20 October 2021

Berrigan Shire Council

Income Statement of water supply business activity

for the year ended 30 June 2021

\$ '000	2021	2020
Income from continuing operations		
Access charges	2,116	2,028
User charges	1,161	1,199
Fees	78	64
Interest	130	102
Other income	436	716
Total income from continuing operations	3,921	4,109
Expenses from continuing operations		
Employee benefits and on-costs	464	481
Borrowing costs	24	–
Materials and services	1,224	1,403
Depreciation, amortisation and impairment	690	709
Water purchase charges	120	144
Net losses from the disposal of assets	149	–
Other expenses	199	276
Total expenses from continuing operations	2,870	3,013
Surplus (deficit) from continuing operations before capital amounts	1,051	1,096
Grants and contributions provided for capital purposes	212	113
Surplus (deficit) from continuing operations after capital amounts	1,263	1,209
Surplus (deficit) from all operations before tax	1,263	1,209
Less: corporate taxation equivalent [based on result before capital]	(273)	(301)
Surplus (deficit) after tax	990	908
Plus accumulated surplus	25,865	24,656
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	273	301
Closing accumulated surplus	27,128	25,865
Return on capital %	3.0%	2.3%
Subsidy from Council	–	–
Calculation of dividend payable:		
Surplus (deficit) after tax	990	908
Less: capital grants and contributions (excluding developer contributions)	(212)	(113)
Surplus for dividend calculation purposes	778	795
Potential dividend calculated from surplus	389	398

Berrigan Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2021

\$ '000	2021	2020
Income from continuing operations		
Access charges	2,147	2,062
User charges	4	12
Fees	64	58
Interest	34	49
Other income	44	44
Total income from continuing operations	2,293	2,225
Expenses from continuing operations		
Employee benefits and on-costs	358	357
Materials and services	940	1,032
Depreciation, amortisation and impairment	614	660
Net losses from the disposal of assets	95	85
Calculated taxation equivalents	8	12
Other expenses	263	249
Total expenses from continuing operations	2,278	2,395
Surplus (deficit) from continuing operations before capital amounts	15	(170)
Grants and contributions provided for capital purposes	66	17
Surplus (deficit) from continuing operations after capital amounts	81	(153)
Surplus (deficit) from all operations before tax	81	(153)
Less: corporate taxation equivalent [based on result before capital]	(4)	–
Surplus (deficit) after tax	77	(153)
Plus accumulated surplus	10,693	10,834
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	8	12
– Corporate taxation equivalent	4	–
Less:		
Closing accumulated surplus	10,782	10,693
Return on capital %	0.0%	(0.4)%
Subsidy from Council	626	576
Calculation of dividend payable:		
Surplus (deficit) after tax	77	(153)
Less: capital grants and contributions (excluding developer contributions)	(66)	(17)
Surplus for dividend calculation purposes	11	–
Potential dividend calculated from surplus	6	–

Berrigan Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2021

\$ '000	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	5,936	7,829
Investments	14,000	4,000
Receivables	172	221
Inventories	85	109
Total current assets	20,193	12,159
Non-current assets		
Infrastructure, property, plant and equipment	35,638	48,412
Total non-current assets	35,638	48,412
Total assets	55,831	60,571
LIABILITIES		
Current liabilities		
Payables	89	5
Borrowings	619	–
Total current liabilities	708	5
Non-current liabilities		
Borrowings	5,825	–
Total non-current liabilities	5,825	–
Total liabilities	6,533	5
Net assets	49,298	60,566
EQUITY		
Accumulated surplus	27,128	25,865
Revaluation reserves	22,170	34,701
Total equity	49,298	60,566

Berrigan Shire Council

Statement of Financial Position of sewerage business activity

as at 30 June 2021

\$ '000	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	1,949	5,108
Investments	2,000	2,000
Receivables	423	93
Inventories	12	17
Total current assets	4,384	7,218
Non-current assets		
Receivables	3,263	–
Infrastructure, property, plant and equipment	43,000	46,135
Total non-current assets	46,263	46,135
Total assets	50,647	53,353
Net assets	50,647	53,353
EQUITY		
Accumulated surplus	10,782	10,693
Revaluation reserves	39,865	42,660
Total equity	50,647	53,353

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 27.5%.

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 27.5% is/is not 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 1.49% at 30/6/21.

(iii) Dividends

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

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

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

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2021 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 the 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 2021, the Statement of Financial Position of each Declared Business Activity as at 30 June 2021 and the Significant Accounting Policies note.

The Declared Business Activities of the Council are:

- Water Supply
- 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 2021, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Significant accounting policies note and the Local Government Code of Accounting Practice and Financial Reporting 2020–21 (LG Code).

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the Significant accounting policies note to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2021 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and Special Schedule 'Permissible income for general rates'.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in the Significant accounting policies note to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

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

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

A handwritten signature in black ink, appearing to read 'M. Kharzoo', with a stylized flourish at the end.

Michael Kharzoo
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

29 October 2021
SYDNEY

Berrigan Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2021

"Making an even better Berrigan Shire"



Berrigan Shire Council

Special Schedules

for the year ended 30 June 2021

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Berrigan Shire Council

Permissible income for general rates

\$ '000	Notes	Calculation 2020/21	Calculation 2021/22
Notional general income calculation ¹			
Last year notional general income yield	a	5,302	5,451
Plus or minus adjustments ²	b	12	16
Notional general income	c = a + b	5,314	5,467
Permissible income calculation			
Or rate peg percentage	e	2.60%	2.00%
Or plus rate peg amount	i = e x (c + g)	138	109
Sub-total	k = (c + g + h + i + j)	5,452	5,576
Plus (or minus) last year's carry forward total	l	(6)	(5)
Sub-total	n = (l + m)	(6)	(5)
Total permissible income	o = k + n	5,446	5,571
Less notional general income yield	p	5,451	5,573
Catch-up or (excess) result	q = o - p	(5)	(1)
Carry forward to next year ⁶	t = q + r + s	(5)	(1)

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.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the *Local Government Act 1993*. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule – Permissible income for general rates

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 2022.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting 2020–21 (LG Code) and is in accordance with the books and records of the Council.

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2021 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2021'.

My opinion on the Schedule does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and the special purpose financial statements.

In connection with my audit of the Schedule, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar8.pdf. The description forms part of my auditor's report.

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

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.

A handwritten signature in black ink, appearing to read 'M. Kharzoo', with a stylized flourish at the end.

Michael Kharzoo
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

29 October 2021
SYDNEY

Berrigan Shire Council

Report on infrastructure assets as at 30 June 2021

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard \$ '000	Estimated cost to bring to the agreed level of service set by Council \$ '000	2020/21 Required maintenance ^a \$ '000	2020/21 Actual maintenance \$ '000	Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings	Buildings – non-specialised	–	–	8	8	644	650	38.0%	61.0%	1.0%	0.0%	0.0%
	Buildings – specialised	–	–	148	386	32,344	46,276	60.0%	24.0%	14.0%	2.0%	0.0%
	Sub-total	–	–	156	394	32,988	46,926	59.7%	24.5%	13.8%	2.0%	0.0%
Roads	Sealed roads	–	–	1,261	1,371	135,398	155,384	87.0%	10.0%	2.0%	1.0%	0.0%
	Unsealed roads	–	–	439	562	15,308	20,866	80.0%	15.0%	4.0%	1.0%	0.0%
	Bridges	–	–	–	–	7,003	12,114	0.0%	100.0%	0.0%	0.0%	0.0%
	Footpaths	–	–	30	19	3,827	4,960	76.0%	10.0%	13.0%	1.0%	0.0%
	Bulk earthworks	–	–	–	–	12,195	12,195	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	–	–	1,730	1,952	173,731	205,519	81.7%	15.2%	2.2%	0.9%	0.0%
Water supply network	Water supply network	–	–	842	1,202	34,185	51,386	17.0%	62.0%	15.0%	6.0%	0.0%
	Sub-total	–	–	842	1,202	34,185	51,386	17.0%	62.0%	15.0%	6.0%	0.0%
Sewerage network	Sewerage network	–	–	945	1,054	41,536	61,529	11.0%	85.0%	4.0%	0.0%	0.0%
	Sub-total	–	–	945	1,054	41,536	61,529	11.0%	85.0%	4.0%	0.0%	0.0%
Stormwater drainage	Stormwater drainage	–	–	157	92	19,986	25,421	41.0%	59.0%	0.0%	0.0%	0.0%
	Sub-total	–	–	157	92	19,986	25,421	41.0%	59.0%	0.0%	0.0%	0.0%
Open space / recreational assets	Swimming pools	–	–	–	8	1,936	3,330	13.0%	82.0%	5.0%	0.0%	0.0%
	Other	–	–	402	516	7,757	10,782	36.0%	57.0%	7.0%	0.0%	0.0%
	Sub-total	–	–	402	524	9,693	14,112	30.6%	62.9%	6.5%	0.0%	0.0%
Total – all assets		–	–	4,232	5,218	312,119	404,893	55.8%	37.2%	5.5%	1.4%	0.0%

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

Infrastructure asset condition assessment 'key'

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

Berrigan Shire Council

Report on infrastructure assets as at 30 June 2021

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2021	Indicator 2021	Indicators		Benchmark
			2020	2019	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	7,666	141.91%	149.43%	154.79%	>= 100.00%
Depreciation, amortisation and impairment	5,402				
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	325,487				
Asset maintenance ratio					
Actual asset maintenance	5,218	123.30%	104.29%	119.12%	> 100.00%
Required asset maintenance	4,232				
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	415,746				

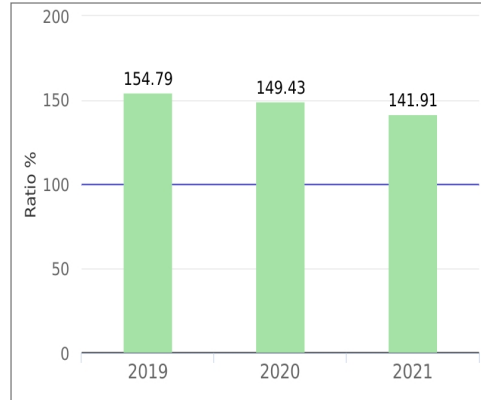
(*) All asset performance indicators are calculated using classes identified in the previous table.

(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 2021

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	
20/21 ratio	141.91%
Council continues to invest in building and infrastructure renewal.	

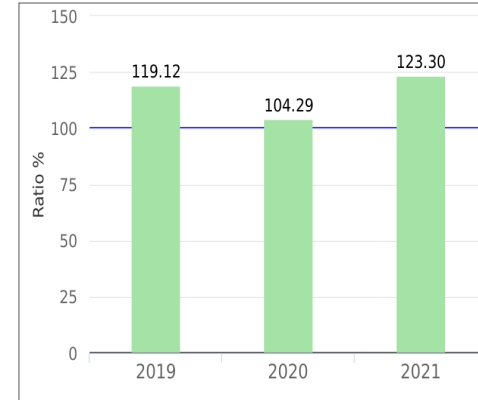
Benchmark: — $\geq 100.00\%$

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	
20/21 ratio	123.30%
Council continues to maintain its assets.	

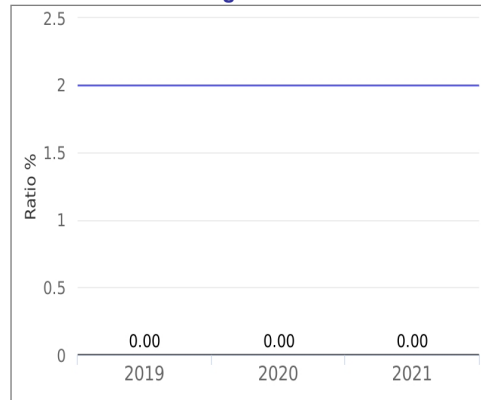
Benchmark: — $> 100.00\%$

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	
20/21 ratio	0.00%
Council has no unfunded infrastructure.	

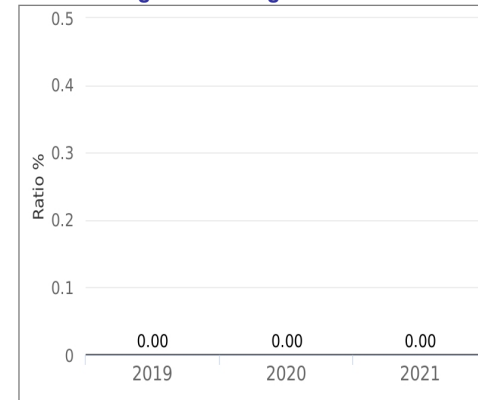
Benchmark: — $< 2.00\%$

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	
20/21 ratio	0.00%
All service levels are maintained.	

Berrigan Shire Council

Report on infrastructure assets as at 30 June 2021

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2021	2020	2021	2020	2021	2020	
Buildings and infrastructure renewals ratio							
Asset renewals ¹							
Depreciation, amortisation and impairment	141.42%	149.15%	278.45%	210.67%	17.30%	82.65%	>= 100.00%
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	< 2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	121.15%	114.45%	142.76%	93.79%	111.53%	97.66%	> 100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

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

Appendix to Annual Report 2020 - 2021
End of Term Report 2017 - 2021

Berrigan Shire 2027
End of Term Report 2017 – 2022



Barooga Adventure Park



Mayor's Message

It is with great pleasure that I present to Berrigan Shire residents, rate payers and local business the Berrigan Shire Council's 2017 – 2022 End of Term Report: a requirement of New South Wales (NSW) Councils as part of the Local Government (NSW) Integrated Planning and Reporting Program.

This is the second End of Term Report prepared by a Berrigan Shire Council reporting to our community on the actions taken by the Council and our local community toward the realisation of our Community Strategic Plan: and its vision that in 2027

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.

Berrigan Shire 2027 was developed by our community through series of town meetings, online surveys and a Futures Conference held June 2011 and was subsequently reviewed by this Council and our community 2017.

Importantly for this Council, Berrigan Shire 2027 informed the development of this Council's Delivery Program 2017-2022 and Annual Operational Plans.

Focused on the actions the Council has taken that support the achievement of Berrigan Shire 2027 this report answers the questions:

1. Did the Council do **what** it said it would do?

2. Is our community **closer** to achieving its preferred future? and
3. How do we **know** this?

While a report to our community on the actions that this Council has taken to realise the vision of Berrigan Shire 2027. It also is also a report on the status of Council's Delivery Program 2017 – 2022 and activities undertaken by the Council on an ongoing basis.

Informed by the Council's 6-monthly Delivery Program Progress Reports and surveys conducted by the Council it provides a brief overview of the Council's activities and Council performance in the past 5-years.

Finally, and in closing, and on behalf of the Council, I would like to acknowledge the support we have received during this term from you the residents, rate payers and businesses of the Berrigan Shire.

The support, involvement, and feedback we have received from our community groups, sporting clubs, service clubs, local business and individuals is very much appreciated. Your support demonstrates that we have a community that is engaged and committed to partnering with the Council and each other on projects that: promote the environmental, civic, social and economic wellbeing of our communities.

Councillor Matthew Hannan
Mayor
August 2021

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Apex Park Berrigan

Part I Report Structure

In four parts – Part I is an introduction to the **End of Term Report 2021** providing the reader with information about a) the purpose of the **End of Term Report 2021**, b) how the Council has measured and c) is reporting on its progress towards our communities' **Berrigan Shire 2027 Community Strategic Plan** vision and strategic objectives.

Part II revisits the development of **Berrigan Shire 2027**, looking back on the State of the Shire in 2015/16 and the issues that were important to our communities, local business, and government. These issues have not changed substantially and remain, similar to the issues raised by our communities and at a **Futures Conference** held June 2011, which informed the development and subsequent implementation of our **Community Strategic Plan: Berrigan Shire 2027**.

Part III is an executive summary of the Council's Term of Office: achievements, significant projects and its **Delivery Program** performance: Part III also reports on the extent of the Council's engagement with residents, business and visitors.

Part IV fulfils the requirements of the **Local Government Act 1993 s428(2)** in that the Council's **End of Term Report** is a report on the Council's achievements in implementing the **Community Strategic Plan** during its term of office. It is a snapshot of the Council's performance against **Berrigan Shire 2027** headline/key performance indicators. It also includes, for each strategic outcome, brief examples of the actions taken by the Council and our communities that contribute to **Berrigan Shire 2027** strategic outcomes, the vision, and the preferred futures of our local communities.

Answering the questions first, did the Council do what it said it would do? Second, is our community closer to achieving its preferred future? Third, how do we know this?

Introduction

Our Community Strategic Plan: **Berrigan Shire 2027** reflects the views and aspirations of our four towns and surrounding rural districts. As the highest-level plan prepared by Council, **Berrigan Shire 2027's** vision captures the preferred futures of our communities' guiding the Council's decision-making and planning.

First developed 10-years ago over a six-month period (April 2011 – September 2011) the preferred futures of each town, survey comments, local data and analysis about future challenges and opportunities informed our community's preferred futures that:

- Families with young children will want to live in or come to the area
- People will be more concerned about their health and wellbeing
- Tourists will go out of their way to come to the area
- There will be more business owned and run by local people
- Transport connections between here and other places will be faster or busier

As part of its review of the Community Strategic Plan (2016) the Council in sought public comments and endorsed on behalf of the community **Berrigan Shire 2027**.

In this, the fifth year of the Council's extended Term of Office this report is the Council's report to the Berrigan Shire's communities on the actions the Council (2017 - 2021) and local community groups have taken to realise

our communities' **Berrigan Shire 2027** vision that in 2027

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.

Berrigan Shire 2027 is the platform our communities, Council and other levels of government and business can use to work together on the achievement of this vision.

The **End of Term Report 2021** is, therefore, a report about the Council's and our communities' progress toward achieving the environmental, civic leadership, social and economic results envisaged by **Berrigan Shire 2027** strategic outcomes of:

1.0 Sustainable natural and built landscapes

2.0 Good government

3.0 Supported and engaged communities

4.0 Diverse and resilient business

It poses and answers the following questions:

- Did the Council do what it said it would do?
- Is our community closer to achieving its preferred future? and
- How do we know this?

Measuring Progress

Our Community Strategic Plan's logic of strategic outcomes and supporting objectives, Council outputs and resourcing (Table 1) describe the improvement or change in social, economic, civic leadership and environmental conditions envisaged by Berrigan Shire communities. Together with the strategic themes and headline indicators identified in Berrigan Shire 2027, this 'logic' informed the development and the 2021 review of the Council's Berrigan Shire 2027 monitoring framework[i]. Accordingly, council performance data and case studies have been selected using 'the monitoring framework'. Thus, establishing the evidence-based used to inform this End of Term Report Report. It is, therefore, the Council's statement about how Council and community actions contribute to the preferred future of our local communities.

Table 1 Berrigan Shire 2027 Outcome Hierarchy

	Outcome Hierarchy	Outcome Defined
	Vision for Berrigan Shire	Preferred future to be created or change in environmental, economic, and social conditions that will impact upon and contribute to preferred future
10 yr Long-term Outcomes	In the context of Vision 'improvement or change in social, economic, civic leadership and environmental conditions of Berrigan Shire communities	Describes what will be done, why it is important and the effect or, change that it will have on local area / economy / council operations / natural environment. The results to be achieved. Observed outcomes are measured against benchmarks – indicators.
Outputs 4 Year Delivery Program Intermediate	Improvement/ Change in how community/Council issues/assets are managed	The result of what is planned and implemented – <i>Delivery Program</i> Outputs. Outputs are measured in the number of hours, number of service users, cost of delivery etc. Can also include service level issues such as accessibility, response time, and overall satisfaction. Intermediate outcomes. Events or results that contribute to lead to long-term outcomes – milestones.
Activities Annual Operating Plan	Council or CSP activities	What is done – the strategies used, and actions taken that affect change in social, economic, or environmental conditions of Berrigan Shire communities
Inputs Core -/Activities Resource Plan	Resources needed to achieve the Vision	Inputs or resources (human, economic and natural) needed to achieve the vision which include: <ul style="list-style-type: none"> • Time • Money / physical assets/plant • Staff • Plans/Policies • Systems that monitor and report upon progress

State of the Environment Reporting

Until the repeal of the relevant provisions of the Local Government Act, 1995 (flagged 2016), New South Wales Councils are legislatively required to prepare a State of the Environment Report 2017 – 2021. The Council, for the duration of its term, has expected the repeal of the relevant provisions of the Act. It has, therefore, not commissioned nor set aside funds for the preparation of a separate State of the Environment Report.

Consequently, it has chosen to reflect the intent of (2016) legislative reform and not prepared a separate State of the Environment Report. Therefore, presented in Part IV, Berrigan Shire 2027 Report Card Outcome 1: Sustainable natural and built landscapes is the Council's State of the Environment Report 2017 – 2021.

This decision recognises that the Berrigan Shire 2027 strategic outcome' sustainable natural and built landscapes and its associated strategic objectives and actions:

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

Describe not only the environmental objectives for Council programs and services this Strategic Outcome also describes the actions taken by Council to support our environment and the sustainability of our natural and built landscapes.



Reading this Report

Our Community Strategic Plan (Berrigan Shire 2027) is the focus of the End of Term Report 2021. The Council's Delivery Program 2017 – 2022 integrated with Berrigan Shire 2027 describes what the Council said it would do. It also sets out the Council's various roles and responsibilities. The following glossary has been developed to help residents read our Plans and in doing so develop their knowledge and understanding of what the Council said that it would do.

Glossary

Advocate

- Representations made by the Council on behalf of the community to other agencies / levels of government

Facilitate

- The Council coordinates and brings together stakeholders to collectively pursue a shared interest / service or to resolve an issue

Inform

- The Council distributes or publishes information produced by other agencies (e.g.: information pamphlets and temporary displays)
- Council commissioned reports, studies; surveys are published on its website, social media platforms, community notice boards and libraries etc.

Plan

- Processes undertaken by the Council establishing the overall direction and objectives for the Local Government Area
- Includes how the Council will monitor and report on its activities and performance

Provide

- Service provided by the Council
(A Council provided service may be fully funded by the Council or funded and provided by the Council on behalf of the State government. If provided by the Council on behalf of the State or Commonwealth government the service may be fully or partly funded by the funder (State / Commonwealth government) or it may be a requirement of the State government on Council which is unfunded.)
- A shared service purchased by the Council
(Examples of shared services include: Arts/Culture (South West Arts))

Partner

- The Council partners with other agencies, community groups in the delivery of a Council provided service or activity provided by another agency or community group

Statutory

- The Council as the local authority has
 - a) statutory obligation to regulate; and or
 - b) ensure compliance with relevant legislation or statutory instrument

Steward/Trustee

- The Council is the steward or trustee of the community assets that make up our natural and built landscape. Community assets include:
 - a) Council buildings and associated facilities
 - b) Public space, recreation reserves, parks and our natural environment:
e.g.: the River, remnant vegetation, and wildlife

Looking Back – The Berrigan Shire Futures Conference 2011

In 2011, the 70 participants at our Futures Conference developed a vision for the new Community Strategic Plan – Berrigan Shire 2021. At the 2011 Conference, participants (residents, businesses, service clubs and representatives from government agencies and other service providers) reviewed online survey information, comments from town meetings, and information about our communities' environmental, social and economic health.

Noted was the Berrigan Shire's economic dependence on the health of the Murray River: its environs, irrigated agriculture also our communities' social, political, and economic challenges, which included:

- Attracting new business and investment
- An ageing labour force
- The demands of an ageing population on health and social support services
- Higher than regional, state dependency ratio's, i.e., population not in the workforce
- Young people and families leaving our communities
- The age of our volunteers
- The increasing cost of maintaining and improving our network of roads

At the Conference participants also discussed the preferred futures of each town.

Berrigan

1. The area's heritage, traditions and customs will be largely maintained
2. Transport connections between here and other places will be faster and or busier
3. We will be noticeably affected by new technologies / technological change

Tocumwal

1. Families with young children will want to live in or come to the area
2. Tourists will go out of their way to come to the area
3. Transport connections between here and other places will be faster and or busier

Barooga

1. There will be more business owned and run by local people
2. People will be more concerned about their health and wellbeing
3. The future of the area is likely to be a residential one

Finley

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. The area will be a service centre for the region as a whole

The process of developing a preferred future involved residents, local businesses, and representatives from other agencies thinking about and commenting on the changes that our communities had experienced in the previous 10-20 years. Agreed was the notion that some drivers of change were outside the direct control or influence of local communities and that these included:

- The impact of technology upon business and competitiveness – e.g., change in agricultural practice
- Policy – e.g., Change in how we use or can use natural resources
- Drought
- Regionalism

Importantly the Futures Conference identified the strengths of our

communities and opportunities that could be included in our communities' plans.

A community strategic plan that was co-designed to:

- respond to and work with external drivers of change; build on our strengths – (not our weaknesses), and in doing so,
- Achieve the preferred future (vision and aspirations) of our communities.

Berrigan Shire 2027: Our Community Strategic Plan

Our Vision

In 2027 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 (Berrigan Shire, 2027)

As noted previously, our first community strategic plan was co-designed and informed by community feedback discussed by community members who attended the Shire's Futures Conference 29 June 2011. Subsequently reviewed by the newly elected Council (2012) and by our communities and Council via a 4-week community engagement program (2016) our current community strategic plan **Berrigan Shire 2027** and its vision reflects the top 3 preferred futures of our communities in (2016) 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

It is a vision and plan which has (2017 – 2022) guided the development and implementation of the Council's 10-year Resourcing Strategy, 5-year Delivery Program

and Annual Operational Plans. Berrigan Shire 2027 Strategic Outcomes and Objectives and how these related to the day-to-day-operations of the Council and its services are described in Table 2.

Table 2 Berrigan Shire 2027 Outcomes, Objectives & Council Operations

CSP Strategic Outcome	CSP Strategic Objective	Council Activities and Services
1.Sustainable Natural and Built Landscapes	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	<ul style="list-style-type: none"> • Storm water • Council roads, paths, levees • Land use planning and development • Waste • Weed Control
2. Good Government	2.1 Berrigan Shire 2027 objectives and strategies inform Council planning and community led projects 2.2 Ensure effective governance by Council of Council operations and reporting 2.3 Strengthen strategic relationships and partnerships with community, business and government	<ul style="list-style-type: none"> • Council governance • Strategic planning • Enterprise risk management • Plant and business operations • Communications
3. Supported and Engaged Communities	3.1 Create safe, friendly and accessible communities 3.2 Support community engagement through life-long learning, culture and recreation	<ul style="list-style-type: none"> • Libraries and community services • Parks, reserves, recreation facilities • Cemeteries • Water and sewerage treatment • Social planning • Environmental health • Animal Control • Emergency Services
4. Diverse and Resilient Business	4.1 Invest in local job creation, retention and innovation 4.2 Strong and diverse local economy 4.3 Diversify and promote local tourism 4.4 Connect local, regional and national road, rail and aviation infrastructure	<ul style="list-style-type: none"> • Business and economic development • Tocumwal Aerodrome • Tourism and events promotion • Sale yards • Quarries • Caravan Parks

Berrigan Shire Today

The Berrigan Shire in the past decade has changed (Table 3). Our population continues to grow at a steady rate driven by retirees and young people aged between 20 years and 35 years of age (Table 4). A trend that is consistent with our community's 10-yr vision (2011) suggesting, therefore, that we are achieving our communities' preferred future that

Families with young children will want to live in or come to the Berrigan Shire.

Externally, water policy is still critically important to the long-term economic well-being of our agricultural industry and the broader community. While our cropping and agricultural livestock producers are adapting to less water, the cost of water is re-shaping the viability of dairy production in our region.

Post the millennium drought and the implementation of the Murray Darling Basin Plan; agriculture remains our biggest employer although fewer people work in agricultural-based jobs than 10-years ago. In addition, our rural districts and towns are connected to the national broadband network (NBN). However, this investment in internet connectivity has not eased digital congestion within our towns nor has the roll-out of the NBN addressed the issue of poor connectivity in our rural districts.

Concurrent with jobs growth in our aged care industry and an increase in the

median age of residents (Table 3), the past five years has witnessed the contraction of face-to-face delivery of social support services. A contraction of service access and delivery documented by the Council's reviews of its Ageing and Liveability Strategy and its Children, Young People and Families Strategy. This contraction of face-to-face social support services reflects a trend toward centralised phone intakes; video conferenced consultations and a drive-in-drive out models of social support services for aged care assessments, early intervention assessment and support, mental health, family support, youth, legal, family violence, housing, alcohol, and drug services. A trend accelerated by the COVID19 pandemic.

This contraction of social services depletes our towns' social capital and is occurring when it is evident that more young people aged 20 – 35 years – families with children are choosing to live in the Shire (Table 4). Demographic changes are also reflected in an increase in household size (Table 3). Further, our population is mobile with 43% of our population living at another address five years ago (Table 3).

Moreover, while demand for social support services continues to increase – a need that may or may not be met via remote service models – face-face service delivery is, however, required for childcare. Hence the good news is that

the number of childcare places available in our growing community of Tocumwal is slated to improve. The result of a decade-long campaign by the Tocumwal Preschool, Council and the broader community, with the assistance of a

grant from the Murray Darling Basin Economic Development Program, funds have now been allocated toward the construction (2021/2022) of a new childcare centre in Tocumwal.

Table 3 Snapshot of Berrigan Shire Community 2011 & 2021

	2011	2021
Population	8591	8784
Area	2066 km ²	2066 km ²
Median Age	45 yrs	49 yrs
Lived at another address 5 years ago	42% residents	43% residents
No. of employed persons	3968	3283
Average taxable income	\$40,719	\$59,550
% Pop15+ yrs post-school qualifications	32%	35%
GV Main Industry (Agriculture)		*\$109 m
Net Business Entries and Exits	-51	-11
Internet occupied dwellings (Berrigan Shire) Shire	50.8%	*73.2%
SEIFA Relative Advantage/Disadvantage	938	*935
Household Size	2.1	2.27
Registered Cars per 1,000 pop	504	+242

(Berrigan Shire data from ABS 2006, *2016 ABS Census, *tNSW registration data 2020, & id.data Berrigan 2021)

The development of a long day care centre in Tocumwal is a massive step forward as ten years ago centre-based long day care was only available in two of our communities - Berrigan and Barooga. Today and looking forward to 2022 and beyond families with young children in each of our four communities will have access to long-day-care in the community where they live or work.

Tourism is a significant local economic driver with the social and economic reliance of our communities on Melbourne-based visitor markets particularly evident in the cancellations and the mass exodus of visitors our river communities and businesses experienced due to COVID19 pandemic lockdowns and border closures.

The Council's range of services in the past five-years has remained relatively unchanged with the exception of Council delivery of early intervention services. The Council no longer delivers on behalf of the state government early intervention services. Early intervention services are now provided by National Disability Insurance Scheme funded contractors and non-government agencies.

New for the Council, in the past 5-years, is the extent of the Council's online engagement with our communities. This increase in online service delivery and communication is a response to broader change in information and communication technology and its uptake by our communities described in Table 3. In 2011 50% of occupied dwellings had access to the internet with this percentage increasing to 73% in 2021. The Council now uses social and visual media to promote to a wider audience the benefits of visiting, living, and working in the Berrigan Shire. While also using social and visual media to communicate and engage with its residents and local business.

Table 4 Change in Population x Age 2009 - 2019

	2009	2019	change
0-4 yrs	463	405	-58
5-9 yrs	444	491	47
10-14 yrs	622	547	-75
15-19 yrs	532	451	-81
20-24 yrs	315	326	11
25-29 yrs	290	416	126
30-34 yrs	437	445	8
35 - 39 yrs	474	410	-64
40 - 44 yrs	487	429	-58
45 - 49 yrs	561	517	-44
50 - 54 yrs	649	591	-58
55 - 59 yrs	640	591	-49
60 - 64 yrs	683	663	-20
65+	1994	2620	626
Total	8591	8902	311

Improved also in the past ten years is the visual amenity of town entrances: a priority project identified in each iteration of the community strategic plan. Improved amenity – characterised by town entry signage, extensive tree planting and irrigation, the redevelopment of the Tocumwal and Barooga Foreshores, the further development of Finley’s Railway Park and the upgrade of Berrigan’s Apex and Hayes Parks. All are projects informed by community involvement through the development of Township Landscape Master Plans.

An approach that contributes to realisation of the following **Berrigan Shire 2027** outcomes

- Sustainable natural and built landscapes;
- Supported and engaged communities;
- Diverse and resilient business – through improved amenity and new infrastructure contributing to increased visitation

It is also an approach which reflects the Council’s commitment to a place-based (town-based) development and the use of master planning processes to facilitate sustainable management and operation by the Council and its committees of Council controlled infrastructure and open space.

Looking forward in post-pandemic future it is likely that jobs growth will continue in the Shire’s visitor economy and social support services sectors. Jobs growth in these sectors will not however, offset an expected loss of traditional jobs in retail, transport, agricultural and manufacturing industries due to change in technology and production practices.

Going forward it is evident that infrastructure constraints related to the Shire’s grid connectivity, digital connectivity need to be resolved if our traditional industries are to thrive. Arguably this investment is needed within the next 5-10 years so that our agricultural, manufacturing, and transport industry can continue to optimise and capitalise on its strengths. Specifically, Tocumwal’s inter-modal facilities, and the LGAs location and proximity to Melbourne and international markets. Importantly it is investment beyond the capacity and resources of Council and local industry, yet it is investment going forward which is needed to progress **Berrigan Shire 2027** outcome ‘Diverse and resilient business’ and its associated strategic objectives:

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



Part III

The Council's Term: 2016 – 2021

Elected for a four-year term in September 2016 (extended to five years due to COVID19), the Council embarked on and is still completing a once-in-a-generation investment in our towns' community facilities and recreation reserves. We now have two new skate parks (Finley and Tocumwal). Transformed are the Tocumwal and Barooga Foreshore reserves. Completed also is the long-awaited extension of the Tocumwal Library and a much-needed refurbishment of Finley's School of Arts.

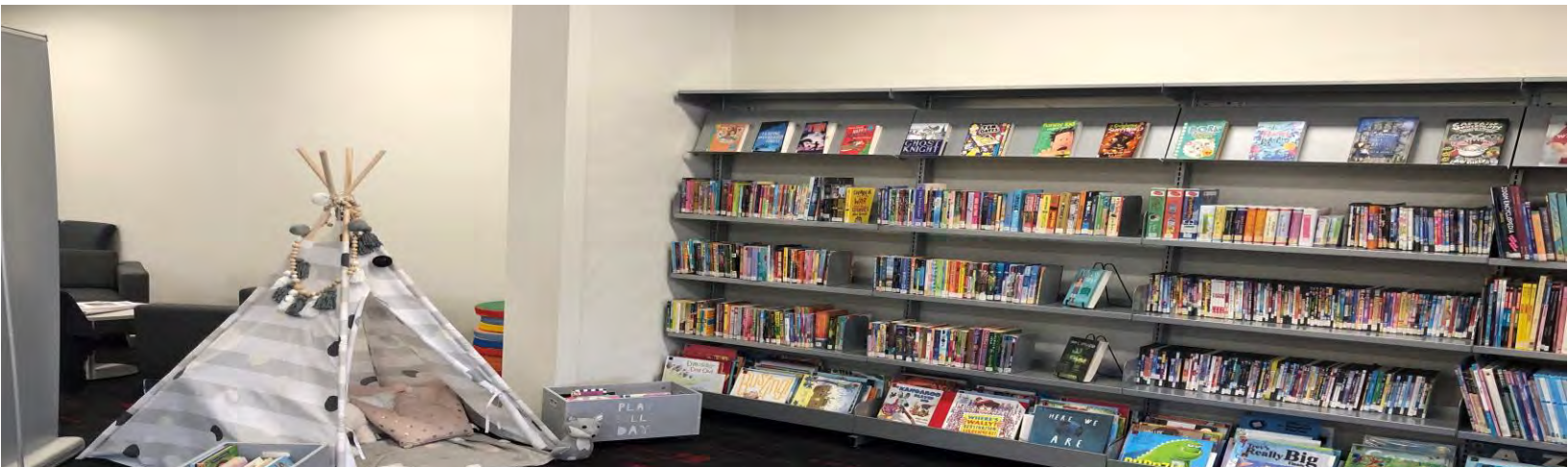
There is now a new scoreboard at the Berrigan Sports ground, two new netball courts, and a toilet block. At the Finley Showground, touch football and soccer have new change rooms and canteen facilities. In addition, there are shade shelters and BBQs at Finley's Railway Park, Berrigan's Apex Park and new pool amenities buildings at the Finley and Berrigan Swimming Pools. This is in addition to the installation at the Berrigan Sports Ground, Finley, Barooga and Tocumwal recreation reserves of LED lights illuminating the ovals and associated facilities.

During the drought (2018 – 2020) and COVID19 pandemic, local contractors undertook this work, ensuring the retention of local jobs. Moreover, these projects would not have been possible without the support of user groups and the broader community.

As in previous years, water policy continues to impact our communities. Our border towns Barooga and Tocumwal are now also attracting more young people. Demonstrated by the new homes continue to be built in Tocumwal, Barooga and increase in local school enrolments.

The national broadband network has improved digital connectivity for many (not all), and it is evident that digital and social media is rapidly replacing traditional media. This trend is apparent with many of our older residents seeking support from our Library Services with their electronic devices.

Day-to-day, the Council's focus has been on the project management of an extensive program of new infrastructure and the delivery of its programmed services, in addition to keeping our community informed and other levels of government about the impact of drought, COVID19 and its associated border closures on community wellbeing.



Annual Highlights

Strategic Outcome	Project/ Programmed Works
Sustainable natural and built landscapes	<ul style="list-style-type: none"> Community Recycling Centre: Berrigan Landfill Flood Recovery – Tocumwal Levee & Lower River Road Fixing Country Roads & Truck Washes – Silo Road and Finley Truck Wash
Good government	<ul style="list-style-type: none"> Council Elections Impact Leadership Program Commenced
Supported and engaged communities	<ul style="list-style-type: none"> Tocumwal Skate Park Upgrade of Memorial Park Finley Tocumwal Foreshore Master Plan Developed
Diverse and resilient business	<ul style="list-style-type: none"> Aerodrome Subdivision Completed Live Work and Invest Program Launched Back to Business Week Event

Financial Fast Facts

Overall Performance	\$ M
Operating Surplus	7.430
Operating deficit before capital grants and contributions	5.645
Total revenue	25.931
Total expenses	18.501
Cash and equivalents	5.730
Investments	23.0
Total assets	254.185
Total liabilities	5.030
Total equity	249.155

Strategic Outcome	Project/ Programmed Works
Sustainable natural and built landscapes	<ul style="list-style-type: none"> • Barooga and Berrigan Town Landscape Plans developed • Funding announced for \$3.2 million redevelopment of Tocumwal Foreshore
Good Government	<ul style="list-style-type: none"> • Bendigo Bank Agency opens at Council Chambers • Early Intervention Services transferred to NDIS provider
Supported and engaged communities	<ul style="list-style-type: none"> • Passing Out Parade celebrating local Anzacs – Exhibition Launch with South West Arts • Folk Song – Collaboration with Outback Theatre for Young People
Diverse and resilient business	<ul style="list-style-type: none"> • 2nd Stage Tocumwal Airpark Opened • Finley Youth Futures Expo

Financial Fast Facts

	\$ M
Overall Performance	
Operating Surplus	6.351
Operating deficit before capital grants and contributions	4.591
Total revenue	24.784
Total expenses	18.433
Cash and equivalents	5.967
Investments	26.0
Total assets	275.493
Total liabilities	5.192
Total equity	270.301

Vale Councillor Bernard Curtin OAM

It was with great regret that the Council received the news of the passing of our friend and colleague Cr Bernard Curtin OAM in April 2017. A tireless campaigner for our health services and a strong supporter of our sporting codes. Bernard had a tireless passion for our community, saw him serve as a Councillor since 2004 and as our Mayor from 2012 until 2015.

Strategic Outcome	Project/ Programmed Works
Sustainable natural and built landscapes	<ul style="list-style-type: none"> • Strathvale Road By-pass completed \$1.2 m • An Environmental Award-Winning Resource Transfer Station constructed from tyres diverted from landfill at Tocumwal & Berrigan • Amenity upgrades continue – new town entry signs installed at Barooga & Berrigan
Good Government	<ul style="list-style-type: none"> • Strategic partnership established with to combat Fruit Fly and with Moira Shire Council and Barooga Sporties Group to promote sports tourism • Emerging Leaders Program commenced
Supported and engaged communities	<ul style="list-style-type: none"> • Finley Skate Park a \$212 k project completed funded by Council and NSW Stronger Country Communities Program (SCCP) • Stages 1 & 2 Barooga Adventure Park completed NSW SCCP project: cost \$639 k
Diverse and resilient business	<ul style="list-style-type: none"> • Council & PGA Southern enter agreement to host PGA Southern Division Trainee Championships at Tocumwal until 2021 • Tocumwal Splash Park opens part of a \$3.2m Restart NSW project to revitalise Tocumwal Foreshore and CBD • Re-vamped Business Awards relaunched with all finalists given the opportunity to promote their business via commercially produced video

Financial Fast Facts

Overall Performance	\$ M
Operating Surplus	4.1
Operating deficit before capital grants and contributions	0.5
Total revenue	24.9
Total expenses	20.8
Cash and equivalents	35.4
Total assets	285.0
Total liabilities	4.8
Total equity	280.2

Strategic Outcome	Project/ Programmed Works
Sustainable natural and built landscapes	<ul style="list-style-type: none"> Weed Management transfers from Murray County Council to Council Council prepares and adopts a 20-year Local Strategic Planning Statement Tocumwal Sewer Network upgrades – part of rolling program of capital works
Good Government	<ul style="list-style-type: none"> Certificate III in construction – partnership Finley TAFE & Council NSW Local Government Capability Framework implemented for Councillors and Staff COVID19 response and extension of Council Term until August 2021
Supported and engaged communities	<ul style="list-style-type: none"> New Berrigan Pool Amenities Block \$430k project funded by Council, Pool Committee & NSW SCC grant Refurbishment Tocumwal Recreation Reserve Cricket Clubrooms & Netball Changerooms \$489k project Council & NSW SCC grant Drought Communities Grant funds Hayes Park, Apex Park, Scoullar Street Finley & Finley Pool redevelopment cost: \$1m
Diverse and resilient business	<ul style="list-style-type: none"> COVID 19 forced cancellation of major events – Berrigan Cup & Strawberry Fields Business & Industry Facebook established – showcasing and sharing local business response to economic impact COVID19 lockdowns and border closures Tocumwal Aerodrome Exclusion Fence completed cost: \$300k

Financial Fast Facts

Overall Performance	\$ M
Operating Surplus	4.4
Operating deficit before capital grants and contributions	0.7
Total revenue	26.5
Total expenses	22.1
Cash and equivalents	38.3
Total assets	343.3
Total liabilities	7.8
Total equity	335.5

Strategic Outcome	Project/ Programmed Works
Sustainable natural and built landscapes	<ul style="list-style-type: none"> Streetscape upgrades Finley & Berrigan \$200k funded Rnd 2 Drought Communities Program Coree Street, Finley Revitalisation \$1.3m funded by Council and Drought Communities LED light Upgrades Council Reserves cost: \$900k NSW SCC & Local Roads & Infrastructure (LR&I)
Good Government	<ul style="list-style-type: none"> Implementation of electronic records management System COVID19 protocols implemented – staff on both sides of border supported to work remotely as needed
Supported and engaged communities	<ul style="list-style-type: none"> Foundry Park Finley works commence – (LR&I) cost: \$ 230k WAAAF Interpretative Trail – Council, Tocumwal Rotary and Create NSW funded; Cost \$130k Barooga Recreation Reserve Strategy developed with user groups
Diverse and resilient business	<ul style="list-style-type: none"> Work commences final stage Tocumwal Foreshore Re-development (Foreshore Building) cost: \$1.2 m Restart NSW & Council Jersey Street Tocumwal Industrial Subdivision and Lewis Crescent Finley Residential Subdivision Total Cost: \$1.7m funded by Council, Building Better Regions NSW

Financial Fast Facts

Overall Performance	\$ M
Operating Surplus	6.1
Operating deficit before capital grants and contributions	(0.3)
Total revenue	29.7
Total expenses	
Cash and equivalents	42.7
Total assets	392.8
Total liabilities	15.2
Total equity	377.6

Retirement – Rowan Perkins, General Manager






Council bid farewell (April 2021) to its long-standing General Manger, Rowan Perkins. Rowan has served in local government for over 30 years; and given over 26-years' service to the Berrigan Shire with the past 23-years in the role of the Council's General Manager. An active member of the community he led our organisation with integrity. Notably Rowan managed the Council through the GFC, the millennium drought and the most recent drought. Also, a proposed merger with the then Jerilderie Shire Council and now COVID 19, while delivering record-levels of investment in infrastructure and amenity throughout our shire. He has left the organisation in a better than sound financial position. We wish Rowan and Janette all the best in their new chapter.

Delivery Program Performance

Each year as part of the Council’s Annual Report a traffic light review provides a visual update on the status of *Council’s* Annual Operational Plan and Council’s progress toward full implementation of its 5-year Delivery Program.

Table 5 describes a result indicative of the nature of a 5-year Delivery Program incorporating new initiatives and business-as-usual actions a number of which are carried forward across the life of the Delivery Program.

Table 5 Delivery Program Performance 2017 - 2021

	Completed	On target	Not on target/ Carried Forward	Past Due	Deferred / Not due to start	Total
						
2016/2017	56	8	0	1	0	65
2017/2018	48	15	2	1	0	66
2018/2019	44	14	4	3	0	65
2019/2020	52	3	1	6	0	62
2020/2021	43	16	2	0	5	65

Community Participation

This term witnessed an increase in the number of opportunities residents and local businesses have had to provide comment and participate in the planning and review of Council services and activities.

For example, in the past 5-years

- Three thousand three hundred twenty respondents have responded to 40 cross-sectional online surveys.
- 6 Council Strategies – Economic Development, Tourism, Ageing & Disability, Children, Young People and their Families and Library Services, Barooga Recreation Reserve Strategies have been reviewed with user groups – via workshops, focus groups and online surveys
- 6 Master Plans – Barooga and Berrigan Township Plans, Barooga and Tocumwal Foreshore Reserve Plans, and Tocumwal WAAAF Creek Walk have involved residents and the broader community in their development and implementation of projects

This method of seeking qualitative comment from ratepayers, residents and service users contrasts the Council's previous practice of a once every four years telephone survey of 350 residents and 100 businesses conducted by Nexus Research. This change in the survey methodology and the type of data generated recognises that quantitative data models reliant on landline telephone survey method exclude residents without a landline, nor is it a cost-effective method for smaller councils to seek feedback from their local community.

Traditional methods of feedback – public notices are now complemented by requests for input from the community via online surveys, focus groups. Also, invitations to be involved in the review of Council plans with social media engagement (Figure 1) – providing Council with 'real-time data on issues that are of interest and concern for residents, visitors, and business.

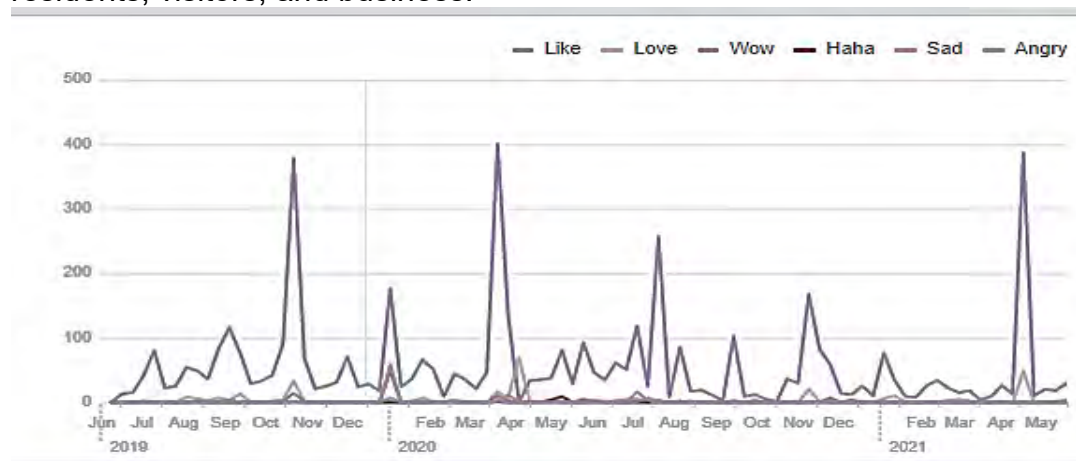


Figure 1 FaceBook Analytics – Reactions to Council Posts Jun 2019 to June 2021

Part IV**Berrigan Shire 2027 Report Card**

This 'report card' answers firstly

- 'Did the Council and our communities do what they said they would do?

and secondly

- Is our community closer to achieving its preferred future? and
- How do we know this?

It does this by recognising that 'the foreseeable effect or likely impact of the actions taken by the Council or our community and reported in this Report Card are indicators of not just Council performance but are also measures of the contribution of the Council and our community toward the achievement of the strategic outcomes and objectives envisaged by Berrigan Shire 2027.

Sustainable natural and built landscapes

Strategic Objective:	Delivery Program Objectives
1.1 Support sustainable use of our natural resources and built landscapes	1.1.1 Coordinate strategic land-use planning and effective development assessment and control 1.1.2 Enhance the visual amenity, heritage, and liveability of our communities
1.2 Retain the diversity and preserve the health of our natural landscapes and wildlife	1.2.1 Partner with community groups and agencies on projects that retain and preserve the health of our natural landscapes and wildlife
1.3 Connect and protect our communities	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

Headline/Key Performance Indicator: Reduction in Green House Gas Emissions

Target: No increase in ACF reporting of greenhouse emissions per person

Result: 2011

17.29 tonnes person

(Source : 2011 Australian Conservation Foundation)

Result 2021

Comparable Data is not available

(Berrigan Shire, 2023, p. 40)

Why is this an outcome indicator?

Our built landscape and its impact on our natural and social environment like our natural landscape needs future focused stewardship and management. In 2011 the overwhelming message from our communities was that our communities valued the Shire's natural assets and advantages:

- Lifestyle
- The Murray River
- Irrigated Agriculture; and
- Tourism (Berrigan Shire, 2023, p. 13)

Actions taken by the Council and our communities that contribute to a reduction in Green House Gas emissions, therefore, contribute toward the measurement of Berrigan Shire 2027 Strategic Outcome sustainable use of our natural resources and built landscapes.

Actions taken by Council and community to reduce Greenhouse Gas emissions			
Berrigan Shire 2027 <i>What Council & the community said it would or could do?</i>	Monitoring Measure	Indicator	In the past 5 years
Reduce, reuse & recycle organic and domestic waste	Household waste recycling	❖ Waste diverted from landfill	the Council continues to provide residents with kerb-side recycling – glass, paper, cardboard Resource recovery centres opened 2018 at the Berrigan & Tocumwal Landfills these now divert batteries, chemicals from landfill
Use energy and water efficiently	Energy & Fuel	❖ Renewable Energy Use ❖ Alternative Fuel Use	The Council has reduced its Energy Use from 6,187.92 GJ in 2017 to 5,549.62 GJ in 2020; and Between 2017 and 2018 small scale solar installations in our communities increased by 14.4% ⁱ
Plant more trees	Environmental Reserves	❖ Revegetation projects	the Council continues to monitor its roadside re-vegetation projects
	Liveability	❖ Improved visual amenity in our towns	Has invested using Council and grant funds \$3.75 m in upgrading the amenity of our town entries and streetscapes – installing kerbs, gutters, irrigation, street furniture, replacing and planting new street trees in Berrigan, Finley, Tocumwal and Barooga

Actions taken by Council and community to reduce Greenhouse Gas emissions

Berrigan Shire 2027 <i>What Council & the community said it would or could do?</i>	Monitoring Measure	Indicator	In the past 5 years
Maintain nature strips & private reserves	Open Space Management & Recreation	<ul style="list-style-type: none"> ❖ Council Managed Public Open Space ❖ Community Managed Public Open Space 	the Council has worked with Section 355 Committees to identify projects and improve the environmental sustainability of facilities e.g.: installation of solar panels Berrigan & Tocumwal Pools
Volunteer LLS projects	Environmental Reserves	<ul style="list-style-type: none"> ❖ Participation rates in environmental projects 	the Council continues to provide support and information for environmental projects e.g.: Million Turtles Project

Good government

Strategic Objective:

- 2.1 *Berrigan Shire 2027* objectives and strategies inform Council planning and community led projects
- 2.2 Ensure effective governance by Council of Council operations and reporting
- 2.3 Strengthen strategic relationships and partnerships with community, business and government

Delivery Program Objectives

- 2.1.1 Council operations, partnerships and coordination of resources contribute toward implementation of *Berrigan Shire 2027*

Headline/Key Performance Indicator: Resident & Business Satisfaction

Target: No reduction resident and business satisfaction rating

Result: 2010	Result: 2015	Result: 2020
Resident Satisfaction: 6.7/10	Resident Satisfaction: 6.45/10	Survey not conducted
Business Satisfaction: 6.5/10	Business Satisfaction: 6.48/10	

(Source: 2015 Nexus Research)

Why is this an outcome indicator?

The development of a Community Strategic Plan establishes a pathway for Councils, communities, and individuals to become engaged and active in planning for the future wellbeing of our communities. Increasing the transparency of day-to-day Council operations and accountability for how we connect with, and report to our communities. And just as important as the plan, is the process which facilitates partnership, shared resourcing, and the development of new opportunities (Berrigan Shire, 2027)

Actions taken by the Council that contribute to resident and business satisfaction with Council services and partnerships, therefore, contribute toward the measurement of Berrigan Shire 2027 Strategic Outcome Good Government

Actions taken by the Council to maintain or improve resident and business satisfaction			
Berrigan Shire 2027 actions <i>i.e.: What Council & the community said it would or could do?</i>	Monitoring Measure	Indicator	In the past 5 years the Council
Implementation of Integrated Management System	Risk Management	❖ Integrated Management System	has reviewed its Integrated Management System and updated its Strategic Risk Management Plan with focus on updating Safe Work Methods Statements for outdoor activities
Engaging communities in Berrigan Shire 2027 projects & initiatives	Integration	❖ Resident and Business Survey ❖ New or reviewed Council Strategies/Asset Plans integrated with and aligned with Berrigan Shire 2027	Conducted 40-online surveys / polls attracting over 3,500 valid responses Reviewed Strategies integrated and with Berrigan Shire 2027 facilitating community engagement in <ul style="list-style-type: none"> • 6 new Strategies • 4 Pedestrian and Mobility • 6 Landscape Master Plans Attracting responses from residents, local business and other agencies through surveys, street stalls, public meetings and or focus groups
	Partnerships	❖ Berrigan Shire 2027 community & Council partnerships / projects	has partnered with 18 volunteer Committees of Management in the management of community infrastructure and facilities

Actions taken by the Council to maintain or improve resident and business satisfaction

Berrigan Shire 2027 actions <i>i.e.: What Council & the community said it would or could do?</i>	Monitoring Measure	Indicator	In the past 5 years the Council
Participating in region & cross border forums and initiatives	Strategic Partnerships	❖ Regional Partnerships ❖ Cross Border Activities	In conjunction with <ul style="list-style-type: none"> • RAMJO has advocated for water reform • Moira Shire Council, Murray Goulburn Fruit Growers promoted Queensland Fruit Fly Project • Cross-Border Commissioner NSW/Vic participated in COVID19 response planning and advocacy • Established with Moira Shire Council & Cobram Barooga Tourism a Sports & Events Attraction Partnership

Supported and engaged communities

Strategic Objective

3.1 Create safe, friendly and accessible communities

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

Delivery Program Objectives

- 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
- 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

Headline/Key Performance Indicator: Combined Social Economic Index of Advantage / Disadvantage			
Target: Net Increase in the combined (Advantage/Disadvantage SEIFA)			
SEIFA (Advantage/Disadvantage) ABS		SEIFA (Advantage/Disadvantage) ABS	
2011	938	2016	935

Why is this an outcome indicator?

Supported and engaged communities' welcome new members and value the wellbeing of all residents and the social connections that connect people to each other and place. Community wellbeing is also fostered through every-day involvement in community activities (Berrigan Shire, 2027).

Actions taken by the Council that contribute to the social economic wellbeing of residents therefore, contribute toward the measurement of Berrigan Shire 2027 Strategic Outcome Supported and engaged communities

Actions taken by the Council and our community to generate an improvement in the overall social and economic wellbeing of our communities

Berrigan Shire 2027 actions <i>i.e.: What Council & the community said it would or could do?</i>	Monitoring Measure	Indicator	In the past 5 years ...
Promote and support Community events	Community Events	❖ Community Events ❖ Attendance at community events	Community development events hosted by the Council e.g.: International Women’s Day, Youth Week, Children’s Week, Action Reaction Anti-Bullying Workshops in partnership with local football & netball clubs Community organizations, local schools, businesses, and service Clubs have partnered with the Council sponsoring or supporting in-kind community development events hosted by the Council Over 4,000 people participated in Council sponsored Community Events
Planning for an Ageing population	Ageing & Liveability	❖ Access to services and facilities	\$333,800 has been spent improving pedestrian mobility and access in our towns
Water & Public Health	Environmental Health and safety	❖ Potable Water	Due to the drought and water restrictions residents consumed less water

Actions taken by the Council and our community to generate an improvement in the overall social and economic wellbeing of our communities

Berrigan Shire 2027 actions <i>i.e.: What Council & the community said it would or could do?</i>	Monitoring Measure	Indicator	In the past 5 years ...
			2018-2020: 305 ML of recycled water in Finley & Tocumwal was used by council & commercial properties e.g: Golf Courses
Emergency Services	Environmental Health and safety	❖ Hazard Reduction	The Council has continued its annual program hazard reduction program and issued Orders as required
Library Services	Lifelong learning and Culture	❖ Membership per capita ❖ Lending	45% of the Shire's residents are members of the Council's Library Services 99,090 items were borrowed 1 Jul 2017 to 30 Dec 2020 and ... before COVID19 closed our libraries for events and programs 3,949 residents and visitors attended a library hosted activity or program in the previous two years 2018 - 2020

Actions taken by the Council and our community to generate an improvement in the overall social and economic wellbeing of our communities

Berrigan Shire 2027 actions <i>i.e.: What Council & the community said it would or could do?</i>	Monitoring Measure	Indicator	In the past 5 years
Be a volunteer Look out for each other Welcome new residents	Community Health & Wellbeing	❖ Volunteerism	28% of the Shire’s residents over 15 years of age – regularly volunteer compared to the New South Wales state percentage of 17% of residents aged 15 years and over Annual welcome BBQs / Events continue to be held in Berrigan
Use a park	Recreation	❖ Participation in physical activity x age	Approximately 402,000 people visited sports grounds and Reserves managed by Council or Council Committees of Management 30 sporting clubs and user groups use Council recreation reserves
Join a club	Recreation	❖ Community Directory	the Council used its social media to publish events and information about local clubs and their activities
Initiate or support a Town Plan Projectⁱⁱ	Recreation Community Event Wellbeing	❖ No. Town Plan projects completed	Projects identified in Town Landscape Master Plans completed by Council with the support of external grant funds, service

Actions taken by the Council and our community to generate an improvement in the overall social and economic wellbeing of our communities

<p>Berrigan Shire 2027 actions</p> <p><i>i.e.: What Council & the community said it would or could do?</i></p>	<p>Monitoring Measure</p>	<p>Indicator</p>	<p>In the past 5 years ...</p>
			<p>clubs, volunteers and community groups include:</p> <p>Barooga Barooga Adventure Park Barooga Walking Track</p> <p>Berrigan Hayes Park – Berrigan Firsts Berrigan Streetscape – seating, bins, painting of shop fronts New Town Entries Sports Ground Upgrades</p> <p>Finley – Town Entries Tree Planting Murray Street Murray Street Streetscape – painting of shop fronts Finley Pool Upgrades Finley Showgrounds Railway Park – sound shell, irrigation & tree planting</p> <p>Tocumwal Tocumwal Splash Park WAAAF Creek Walk Interpretative Trail</p>

Diverse and resilient business

- | | |
|--|--|
| 4.1 Invest in local job creation, retention, and innovation | 4.1.1 Identify opportunities for strategic investment and job creation |
| 4.2 Strengthen and diversify the local economy | 4.2.1 Partner with government and industry to renew and promote the development of the Shire's economic assets |
| | 4.2.2 Support local enterprise through economic development initiatives |
| | 4.2.3 Engage local business through regular meetings, electronic newsletter, and Council bulletin and media publications |
| 4.3 Diversify and promote local tourism | 4.3.1 Implement the Berrigan Shire Visitor Events Plan |
| | 4.3.2 Partner regional Tourism Boards |
| 4.4 Connect local, regional and national road, rail and aviation infrastructure | 4.4.1 Develop and promote Berrigan Shire regional transport and freight infrastructure |

Headline/Key Performance Indicator: ABS: Economic Index of Wellbeing

Target: No decrease in Economic Wellbeing Index

2011		2016	
Index of Economic Resources	964	Index of Economic Resources	968

(Source: Australian Bureau of Statistics SEIFA Indices 2011 & 2016)

Why is this an outcome indicator?

Local job creation driven by investment in innovation (new products/services) is needed to retain and attract skilled professionals and young people. Rural communities that offer lifestyle and professional opportunities are more successful in attracting and retaining a skilled workforce. A strong local economy is a buffer against globally exposed commodity agribusiness during drought or economic downturn. Tourism is a competitive industry sector with the drivers for growth: a diverse range of local/regional experiences supported by contemporary marketing and promotion (Berrigan Shire, 2027)

Actions taken by the Council that contribute to the economic wellbeing of residents and business, therefore, contribute toward the measurement of Berrigan Shire 2027 Strategic Outcome Diverse and resilient business

Actions taken by Council and our communities to maintain economic wellbeing of our communities

Berrigan Shire 2027 actions <i>i.e.: What Council & the community said it would or could do?</i>	Monitoring Measure	Indicator	In the past 5-years ...
Strategic Investment	Economic & Industry Development	❖ Value of Economic Development Projects undertaken by Council ❖ Multiplier Effect Jobs generated from Council/Grant income investment in Economic Development Projects	Tourism and Economic Development Strategies priority actions included: <ul style="list-style-type: none"> • Facilitating Regional Tourism Network • Its Events Program Funding with the following significant events funded: <ul style="list-style-type: none"> ○ SEGRA Conference at Barooga ○ PGA Golf Tournament Tocumwal ○ National Beach Volleyball – Cobram Barooga Thompsons Beach <p>Tocumwal Foreshore Redevelopment \$3.2 m</p> <p>Further the multiplier effect of jobs generated from \$3.2 m Tocumwal Foreshore redevelopment is: 21 local jobs</p>
Renewal of Economic Assets	Economic & Industry Development	❖ Economic Development Projects undertaken by Council	.. with Council and grant funds has: Completed stage 2 of Tocumwal Airpark Developed new industrial land at Jersey Street, Tocumwal

Actions taken by Council and our communities to maintain economic wellbeing of our communities

Berrigan Shire 2027 actions <i>i.e.: What Council & the community said it would or could do?</i>	Monitoring Measure	Indicator	In the past 5-years ...
			Invested in the development of a further 15 lots – residential land Lewis Crescent Finley Funded upgrades to the Finley Saleyards
Economic Development Initiatives	Economic & Industry Development	❖ Industry Development Projects undertaken by Council	Live Work and Invest Campaign Liveability Video Campaign Review & Relaunch of Business Awards Marketing & Television Campaign Riverina – COVID19 response
Engagement with Local Business	Economic & Industry Development	❖ Projects undertaken with local Chambers of Commerce ❖ Attendance at Business Awards	Streetscape renewal Finley and Berrigan 2020 Business and Industry in Berrigan Shire Facebook Page
Visitor and Events	Tourism and Events	❖ No. of Tourism Event Applicants that received Event funding ❖ Assessed economic value of events funded	16 events funded a total of \$132,000 supporting the creation of 10 new jobs ¹
Regional Transport & Freight Infrastructure	Regional Infrastructure	❖ Transport and Freight Infrastructure Projects undertaken by Council	Completed the Strathvale Road, Berrigan Bypass

¹ Modelled using id.data input-output event impact assessment tool

Actions taken by Council and our communities to maintain economic wellbeing of our communities

Berrigan Shire 2027 actions <i>i.e.: What Council & the community said it would or could do?</i>	Monitoring Measure	Indicator	In the past 5-years ...
		❖ Multiplier Effect Jobs generated from Council/Grant income investment in Regional Transport & Freight Infrastructure Projects	A Fixing Country Roads Project \$1.2m this project generated 4 local jobs ⁱⁱⁱ in heavy civil engineering and construction

Footnotes

ⁱ ABS Regional Statistics Berrigan LGA Land & Environment

ⁱⁱ Town Plans – Town Landscape Master Plans developed in consultation with the community with the assistance of LMLA

ⁱⁱⁱ Id.data berrigan shire economic impact calculator