

An aerial photograph of a wide river flowing through a lush, green forested area. In the foreground, a large concrete dam with multiple spillways is visible, with white water cascading over it. To the left of the dam, there is a lock system. Several boats, including a large white ferry and numerous smaller motorboats, are scattered across the river. A line of yellow buoys stretches across the middle of the river. The sky is clear and blue.

**ANNUAL  
REPORT**

**WENTWORTH  
SHIRE COUNCIL**





Junction Park Wentworth Chainsaw Sculpture by Rob Bast

“Council pays their respect and acknowledges the Traditional Custodians of the land on which we live, meet and work, and pays respect to Elders both past, present and future.”


**WENTWORTH**  
**SHIRE COUNCIL**  
**WORTH THE DRIVE**

This document was compiled by Wentworth Shire Council.  
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 Items throughout the report with this symbol are a requirement of the Annual Report Checklist from the NSW Office of Local Government



# Mayor and General Manager's Foreword



I would like to thank my fellow Councillors for their vote of confidence and support in re-electing me for a third term as Wentworth Shire Council Mayor.

Together with our General Manager Ken Ross, I proudly present the Wentworth Shire Council 2019/2020 Annual Report.

We have faced unprecedented challenges this year. A perfect storm of drought, a global pandemic, economic hardship and unprecedented border closures had a significant impact on our community. In spite of this, 2020 is the year of community strength.

Council, together with our community rose to the challenge, and we are particularly proud of the way we faced each of these potentially disastrous events.

Council responded swiftly to border closure announcements with the building of command centre facilities in a very short timeframe. Shire libraries, which are the community hub of our towns, found new and innovative ways of keeping connected with online services, home deliveries and assistance with border permit applications.

When you look around the Shire, we see a cohesive community and evidence of Shire projects progressing that make us future ready.

Throughout the past year, we have had a strong focus on delivering projects that benefit all communities across our region. We have brought the doctors back to Wentworth Shire in collaboration with Coomealla Health Aboriginal Corporation (CHAC) and the Wentworth & District Community Bank. Council is working tirelessly to deliver actions nominated within several adopted strategic plans, with the Buronga Gol Gol Structure Plan guiding future developments in that area.

The value of building approvals rose by 65.8% in 2019/20 indicating a very healthy commitment to living and investing in the Wentworth Shire.

During the 2019/20 financial year, Council received unprecedented Government funding that allowed us to undertake significant infrastructure projects across the Shire.

The Drought Community Extension Fund supported the upgrade of

Shire community halls. The waste water rationalisation projects in both Wentworth and Dareton were made possible under the Infrastructure NSW grant program, and the Stronger Communities Fund provided renewal of the Curlwaa Hall and installation of lights at Shire sporting venues.

In addition, we received over \$10M in road infrastructure funding. Projects such as the Wentworth Aerodrome upgrade, the Wentworth Sporting complex upgrade all confirm a thriving region supported by a robust economic base, distinctive open spaces and strong local governance and leadership.

We have a progressive Council, management team and employees who share a vision of improvement, investment and growth.

**Cr Melisa Hederics**  
Mayor

**Ken Ross**  
General Manager

Right: Midway Service Centre





# Wentworth Shire Councillors



Councillor Melisa Hederics  
Mayor



Councillor Tim Elstone  
Deputy Mayor



Councillor Greg Evans



Councillor Steve Heywood



Councillor Jane MacAllister



Councillor Don McKinnon



Councillor Susan Nichols



Councillor Peter Nunan



Councillor Bill Wheeldon

## The Values of the Wentworth Shire Council are:

- Honesty and Integrity
- Accountability and Transparency
- Respect
- Quality
- Commitment

## Council Meeting Attendance

There were 15 Council meetings and 4 Internal Audit and Risk Management Committee Meetings.

Councillor	Ordinary Council Meetings (15)	Internal Audit & Risk Management Meeting (4)
Cr Hederics (Mayor)	14	4
Cr Elstone (Deputy Mayor)	13	N/A
Cr Evans	13	3
Cr Heywood	14	N/A
Cr MacAllister	14	4
Cr McKinnon	8	N/A
Cr Nichols	15	4
Cr Nunan	12	3
Cr Wheeldon	14	N/A

# Wentworth Shire Overview

Wentworth Shire is situated on the junction of the Murray and Darling Rivers in south western NSW. The southern boundary (along the Murray River) has the greatest population density in the townships of Wentworth, Dareton, Buronga and Gol Gol, as well as Pooncarie in the centre of the Shire.

In the late 1880's, Wentworth was bustling with river trade as Australia's busiest inland port. Tourism is strong with attractions including the Mungo National Park, the Junction of the Murray and Darling Rivers and the Willandra Lakes World Heritage Area.

## Local Government Area

Area (Km <sup>2</sup> )	26,256.2
Council Classification	Large Rural
OLG Group	10
State Planning Region	Far West
JO Region	Far South West
<sup>*2</sup>	

## Your Local Economy

Unemployment Rate (%)	8
Average Taxable Income (\$)	54,430
Average Household Size (No.)	2
Value of DA.s determined (\$000)	40,047
Active Businesses in LGA (No.)	752
<sup>*2</sup>	

## Population <sup>\*1</sup>

2019 ABS Projected Population: **7,053**

48.34%  
Female



51.66%  
Male



9.28%  
Indigenous population

0.0468%  
Born Overseas

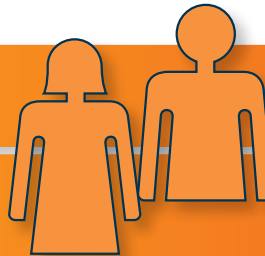
## Age <sup>\*1</sup>

Over 70 **11.5%**

50-69 **31.33%**

20-49 **32.15%**

Up to 20 **25.02%**



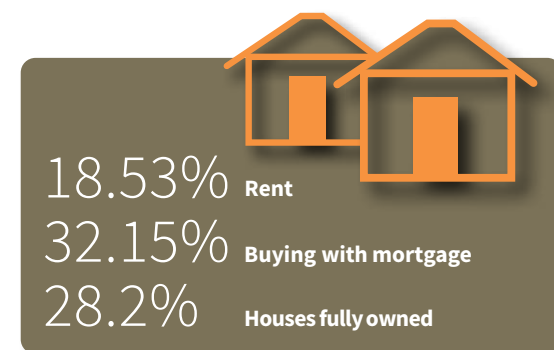
**44%**  
Are median age

**18.87%**  
of people volunteer  
in the community

**92.1%**  
Employed

<sup>\*1</sup> Source [www.remplan.com.au](http://www.remplan.com.au) <sup>\*2</sup> Source [www.yourcouncil.nsw.gov.au](http://www.yourcouncil.nsw.gov.au)

## Wentworth Shire Overview cont



Top 4 Industry sectors based on economic output <sup>*1</sup>		
Industry Sector	Wentworth (A) (2019 Release1)	
	\$M	%
Agriculture, Forestry & Fishing	\$295.935	26.4%
Manufacturing	\$194.176	17.3%
Mining	\$162.592	14.5%
Rental, Hiring & Real Estate Services	\$71.956	6.4%

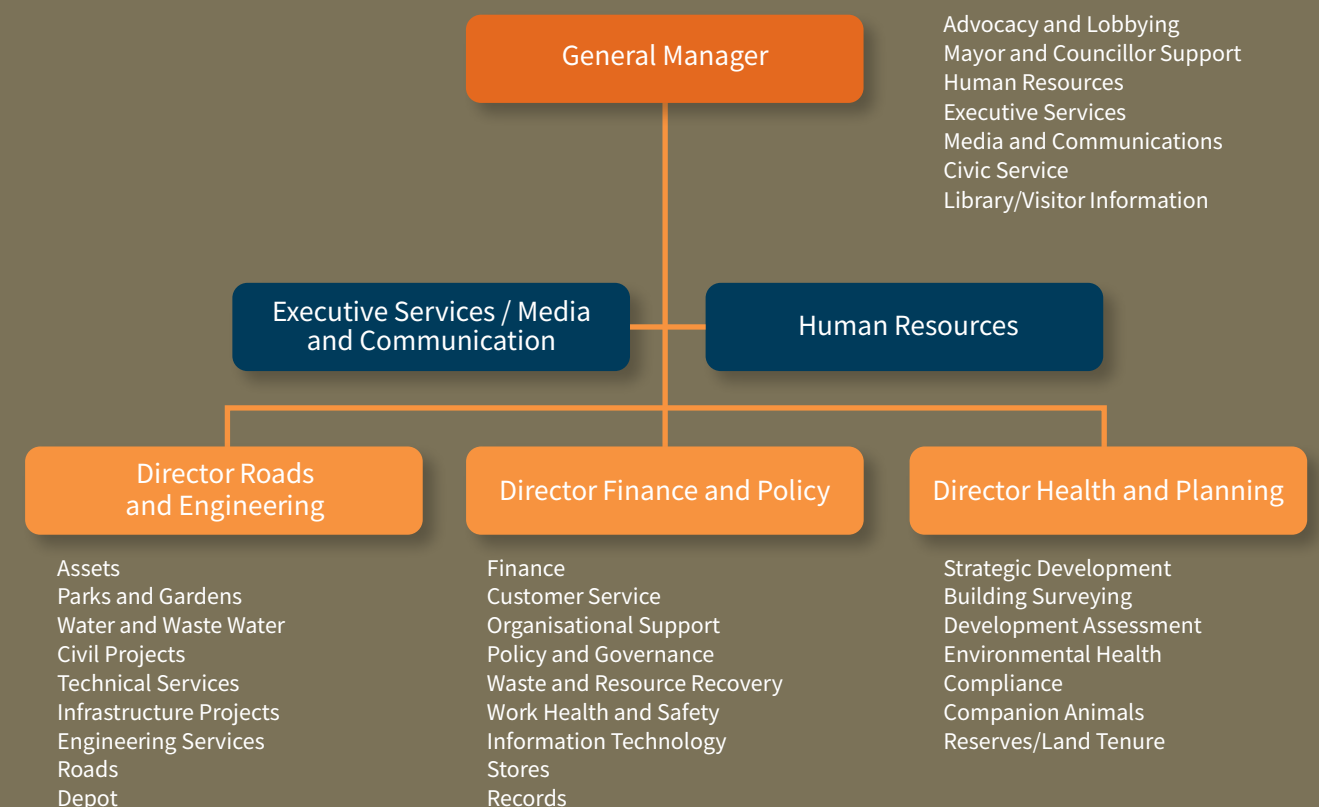
Top 4 Industry sectors based on employment <sup>*1</sup>		
Industry Sector	Wentworth (A) (2019 Release1)	
	Jobs	%
Agriculture, Forestry & Fishing	789	27.8%
Health Care & Social Assistance	220	7.8%
Manufacturing	214	7.5%
Education & Training	207	7.3%

<sup>\*1</sup> Source [www.remplan.com.au](http://www.remplan.com.au) <sup>\*2</sup> Source [www.yourcouncil.nsw.gov.au](http://www.yourcouncil.nsw.gov.au)



Perry Sandhills

## Organisational Overview



## Executive Team



**Ken Ross**  
**General Manager**  
Commenced as General Manager 20 May 2019 (started at Wentworth Shire Council in 2002), 35 years' experience in Management, Health and Planning and Building Surveying.  
  
Holds Associated Diploma in Applied Science and Diploma Environmental Health and Building.



**Geoff Gunn**  
**Director Roads and Engineering**  
Commenced as Director Roads and Engineering 26 August 2019 (started at Wentworth Shire Council in 2016), 30 years' experience in Engineering and Management of municipal operation areas.  
  
Holds a Bachelor degree in Civil Engineering.



**Simon Rule**  
**Director Finance and Policy**  
Commenced as Director Finance and Policy 26 March 2014 (started at Wentworth Shire Council in 2008), 20 years' experience in financial management in public operations.  
  
Holds Bachelor degree in Arts (Information Management) and Masters of Professional Accounting.



**Matthew Carlin**  
**Director Health and Planning**  
Commenced as Director Health and Planning 28 January 2020, 7 years' experience in leading and managing teams in Planning, Environmental and Regulatory services.  
  
Holds a Bachelor degree in Applied Science, Bachelor of Laws and Masters of Environmental and Business Management.



# Key Council Staff Demographics

A summary of the number of full time, part time and casual equivalent staff categorised by employment classification and gender (as at 30 June 2020):

2019-20	Band 1	Band 2	Band 3	Band 4	GM/Senior Staff	Total
Permanent full time: female	0	15	5	1	0	21
Permanent full time: male	42	16	8	2	4	72
Permanent part time: female	3 (FTE1.64)	11 (FTE 7)	2 (FTE 1)	0	0	16
Permanent part time: male	1 (FTE .7)	1 (FTE .5)	0	0	0	2
Casual: female	1	7	0	0	0	8
Casual: male	2	1	3	0	0	6
<b>TOTAL</b>	<b>49</b>	<b>51</b>	<b>18</b>	<b>3</b>	<b>4</b>	<b>125</b>

- Full time equivalents = 103.84
- Casual employees are not included in full time equivalents.
- Bands – as described in the *Local Government (State) Award 2020*
  - > Band 1 = Operational Band
  - > Band 2 = Administration/Trade/Technical
  - > Band 3 = Professional/Specialist
  - > Band 4 = Executive

Gender / Employment	
Gender & Employment basis – FTE 103.84 as 30 June 2020	
Full Time Males	70%
Full Time Females	20%
Part Time Males	1%
Part Time Females	9%

Tenure								
Tenure of Employment Years	< 1	1 - 3	4 - 6	7 - 9	10 - 19	20 - 29	30 - 39	40+
Employees	11	45	19	5	16	9	3	3
<b>TOTAL</b>	<b>10%</b>	<b>41%</b>	<b>17%</b>	<b>4%</b>	<b>14%</b>	<b>8%</b>	<b>3%</b>	<b>3%</b>

Age								
Age of Workforce	15-19 years	20-24 years	25-34 years	35-44 years	45-54 years	55-64 years	65-74 years	
Male	0	3	22	8	13	20	8	
Female	0	1	4	6	10	12	4	
<b>TOTAL</b>	<b>0%</b>	<b>4%</b>	<b>23%</b>	<b>12%</b>	<b>21%</b>	<b>29%</b>	<b>11%</b>	





# 2019/20 Financial Report

The 2019/2020 financial year resulted in Wentworth Shire Council posting a \$7,635,000 surplus, this was an increase of \$1,175,000 on the 2018/2019 result, and was \$568,000 less than what was originally budgeted.

Revenue for the year was \$2,927,000 up on the previous year. Notable revenue figures included user fees and charges exceeding budget expectations by \$2,888,000 as a result of increasing revenue from the Buronga Landfill operations and fee for service works for Transport for NSW on the State Highways.

Overall Grants and Contributions increased by \$2,350,000 on last financial year, this was driven largely by an increase in capital grants of \$1,756,000 which reflects the increase in grant projects that Council has been working on over the last couple of years. This is anticipated to continue for the next couple of years.

Council's investment revenue was heavily impacted by the significant reduction of interest rates that occurred during the financial year. Interest rates went from 1.25% at the start of July to 0.25% at the end of June 2020. While Council's investment portfolio has remained relatively stable during the financial year Council's investment revenue for 2019/2020 fell by \$150,000.

Expenditure for the year increased by \$1,752,000, the main contributor to this was the increase in materials and contracts which was largely attributable to the increase on work on the State Highways for Transport for NSW.

Other notable expenditure including employee benefits and on-costs and other expenditure reduced by \$490,000 and \$230,000 respectively on 2018/2019.

Council's interest in the Far West Joint Organisation decreased by \$102,000.

## COVID-19 Impact

COVID-19 and even more so, the associated government measures to slow the spread of the virus, have had a significant impact on global, local economies and across communities and individuals.

Council has not been isolated from the direct and indirect effects of COVID-19 and has therefore had to react to the impacts of COVID-19 during the 2019/20 financial year.

Council has been fortunate that the net impact of the pandemic on operations for the 2019/2020 financial year was approximately \$60,000.

## Balance Sheet

The balance sheet details a summary of Council's total assets, liabilities and total equity as at 30 June 2020. The net assets of Council (total assets less total liabilities) have increased by \$15,867,000 during the 2019/20 financial year.

Total current assets have increased by \$233,000. Infrastructure, property, plant and equipment increased by \$19,419,000, reflecting asset purchases, capital works and revaluations being greater than the increase in accumulated depreciation. Council's total infrastructure assets are written down to 65% of their current replacement value.

Current liabilities include payables, borrowings and employee leave entitlements. The overall current liabilities increased by \$2,727,000 due mainly to increase payables

as at 30 June which reflects that large number of projects that Council was working on at that time.

Non-current liabilities increased by \$958,000 due mainly to a \$1,112,000 increase in the landfill remediation provision.

## Available Cash and Cash Equivalents

The available working capital of Council has increased from \$2,327,000 at 30 June 2019 to \$2,413,000 at 30 June 2020. Investments decreased by \$2,000,000 to \$26,000,000. It is considered that \$2,413,000 is more than adequate to manage day to day operating requirements and provides Council with capacity to respond to unforeseen events and opportunities.

The spread of investments throughout a large number of financial institutions allows Council to spread its risk while endeavouring to maximise its returns. It also allows for ready access to funds due to multiple maturity dates.

Summary of the Financial Statements	2020 \$ '000	2019 \$ '000
<b>Income Statement</b>		
Total income from continuing operations	36,921	33,994
Total expenses from continuing operations	29,286	27,534
<b>Operating result from continuing operations</b>	<b>7,635</b>	<b>6,460</b>
<b>Net operating result for the year</b>	<b>7,635</b>	<b>6,460</b>
<b>Net operating result before grants and contributions provided for capital purposes</b>	<b>(665)</b>	<b>(84)</b>
<b>Statement of Financial Position</b>		
Total current assets	34,379	34,146
Total current liabilities	(7,108)	(4,381)
Total non-current assets	443,737	424,420
Total non-current liabilities	(6,752)	(5,796)
<b>Total equity</b>	<b>464,256</b>	<b>448,389</b>
<b>Other financial information</b>		
Unrestricted current ratio (times)	3.61	7.19
Operating performance ratio (%)	(2.25)	(6.83)
Debt service cover ratio (times)	18.86	16.25
Rates and annual charges outstanding ratio (%)	12.10	10.87
<b>Infrastructure renewals ratio (%)</b>	<b>103.05</b>	<b>73.58</b>
<b>Own source operating revenue ratio (%)</b>	<b>49.49</b>	<b>49.70</b>
<b>Cash expense cover ratio (months)</b>	<b>15.55</b>	<b>17.86</b>

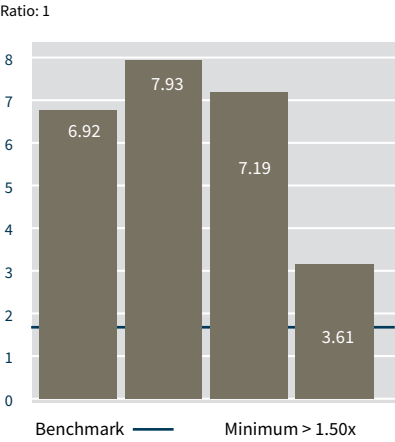
Financial Indicators

There are a number of key ratios included in the financial reports that provide an indication of liquidity and financial capacity of Council. These are presented below and graphically illustrate the movement over the last 4 years.

Unrestricted Current Ratio

This ratio provides an assessment of the adequacy of working capital and the ability to satisfy obligations in the short term for the unrestricted activities of Council. The ratio measures current assets (less restricted assets) divided by current liabilities (less specific purpose liabilities).

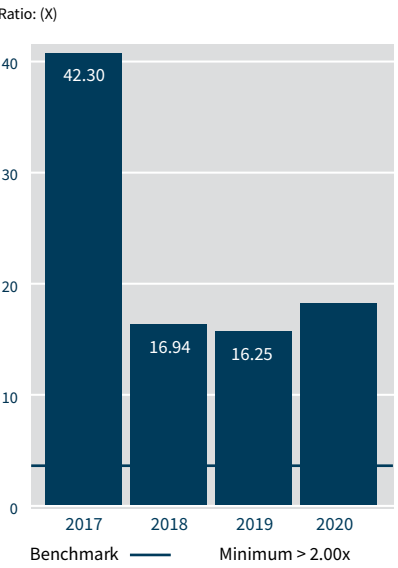
The benchmark figure for this ratio is 1.50x. This ratio decreased during the 2019/20 financial year to 3.61x and continues to be well above the benchmark ratio.



Debt Service Cover Ratio

The Debt Service Cover Ratio measures the availability of operating cash to service debt including interest, principal and lease payments. The ratio is calculated by dividing the operating result before capital excluding interest and depreciation by total loan payments for the year (principal and interest).

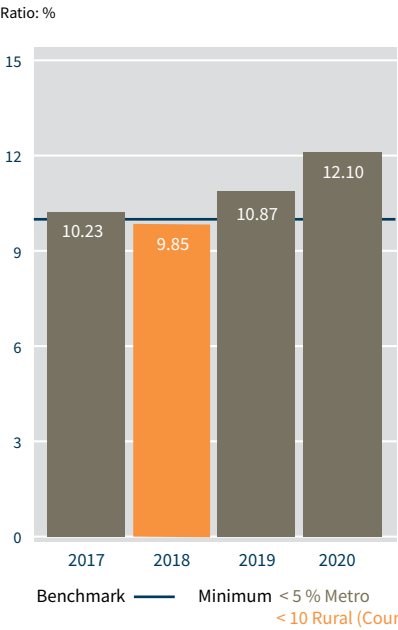
The benchmark figure for this ratio is 2x. Council continues to have sufficient operating cash to service current debt levels.



Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage Ratio

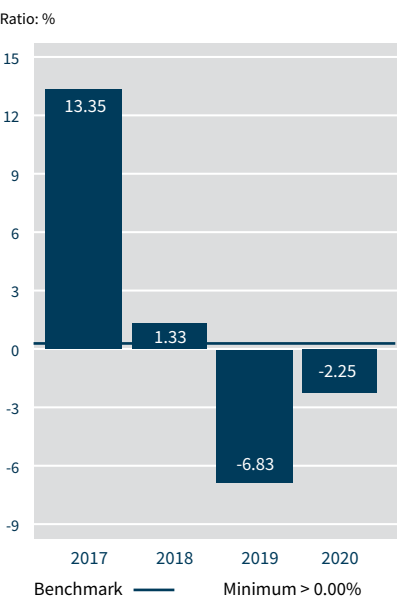
This ratio assesses the impact of uncollected rates and annual charges on Council’s liquidity and the adequacy of recovery efforts. The ratio is calculated by dividing rates, annual & extra charges outstanding by rates, annual and extra charges collectable.

The benchmark figure for this ratio is 10%. Increase from 10.87% to 12.10% in 2019/2020 is attributed to Council moving from 2 water accounts per year to 3 water accounts per year. This will smooth out over next financial year.



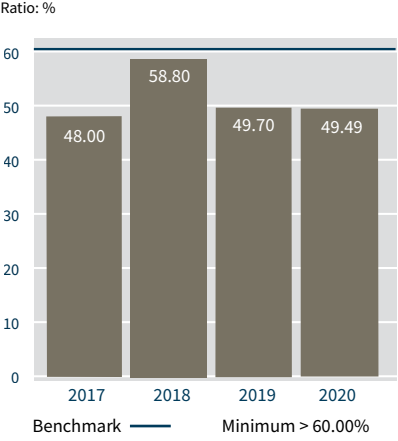
Operating Performance Ratio

This ratio measures Council’s ability to contain operating expenditure within operating revenue. This ratio is calculated by dividing total continuing operating revenue excluding capital grants and contributions minus operating expenditure by totalling continuing operating revenue excluding capital grants. The benchmark figure for this rate is 0%. Council’s result for 2019/20 was -2.25%.



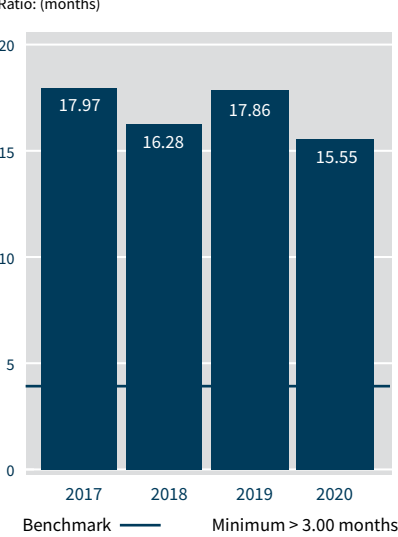
Own Source Operating Ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions. This ratio is calculated by dividing total contributing operating revenue less all grants by total continuing operating revenue. The benchmark figure for this ratio is 60%. The ratio for 2019/20 remained steady at 49%.



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. The ratio is calculated by dividing the current year’s cash and cash equivalents plus deposits by payments from cash flow of operating and financing activities. The benchmark figure for this ratio is 3.0.



Reserves

The following table represents all transfers in and out of Council’s reserves

Reserves Transfer Schedule 2019/2020				
Reserve	Opening Balance \$'000	Transfer to Reserve \$'000	Transfer from Reserve \$'000	Closing Balance \$'000
Employee Leave Entitlements Reserve	2,241	225	18	2,448
Developer Contribution Reserve	619	21	-	640
Plant Replacement Reserve	2,200	-	700	1,500
Future Development Reserve	1,113	-	-	1,113
Unexpended Grants Reserve	1,243	-	1,010	233
Capital and Major Project Reserve	1,000	-	-	1,000
Domestic Waste Management Reserve (DWM)	105	-	-	105
Crown Land Reserve	333	69	113	289
Bank Guarantee Reserve	11	-	8	3
TOTAL	\$8,865	\$315	\$1,849	\$7,331



## Annual Report and the Integrated Planning and Reporting (IP&R) Guidelines



Wentworth Skate Park opening

## The Integrated Planning and Reporting Framework

The Local Government Act 1993 requires Councils across New South Wales (NSW) to implement an Integrated Planning and Reporting Framework, which consists of a range of plans and reporting to guide the operations of the Council according to the requirements of the local community.

The pivotal document in this process is the Community Strategic Plan. The Community Strategic Plan is the highest level of plan the Council prepares. The purpose of the plan is to identify the community's main priorities and aspirations for the future, and to plan strategies to achieve those goals. This plan covers a period of at least 10 years and is updated each Council election (generally every four years) to reflect any changes in the priorities and aspirations of the community.





The four-year Delivery Program is Wentworth Shire Council's commitment to assisting the community to achieve the Community Strategic Plan 2017-2027. It is a high-level plan that maps out the Council's strategic business direction. This document systematically translates the strategic goals of the community into actions. These are the principal activities Council will undertake to implement the strategies established by the Community Strategic plan, with the resources identified in the Resourcing Strategy.

Council is also required to have an annual Operational Plan, adopted before the beginning of each financial year. The annual Operational Plan outlines the activities to be undertaken for the year, to meet the broader requirements of the Delivery Program. The Operational Plan includes the Annual Statement of Revenue Policy.

The Integrated Planning and Reporting (IP&R) framework requires Council to present an Annual Report to the Community. This report is required to outline Council's achievements during the financial year. In line with the Local Government Act 1993 and the Office of Local Government's Annual Report Checklist (ARC), this document reports to the community on the progress against each of the strategies included in Council's 2019-2020 Operational Plan and the 2017-2027 Delivery Program.

### The 2027 Vision

The consultation and engagement activities undertaken to inform the Wentworth Region community Strategic Plan resulted in the formation of the following concise and ambitious vision for the region.

### A thriving region, supported by a robust economic base, distinctive open spaces, and strong local governance and leadership.

To ensure as a community, Council is working toward achieving this vision, four strategic objectives have been developed around the quadruple bottom line, which aims to balance the social, environmental, economic and governance aspects of the Strategic Plans.

Underpinning each objective is a range of supporting strategies that outline high-level approaches to achieving the objectives and delivering the vision.

The following pages provide details of the activities undertaken by Council during the 2019-2020 financial year to support the community in achieving the 2027 Vision.

**1** **OBJECTIVE 1**  
Wentworth is a vibrant, growing and thriving shire.

**2** **OBJECTIVE 2**  
Wentworth is a desirable shire to visit, live, work and invest.

**3** **OBJECTIVE 3**  
Wentworth is a community that works to enhance and protect its physical and natural assets.

**4** **OBJECTIVE 4**  
Wentworth is a caring, supportive and inclusive community that is informed and engaged in its future.

## OBJECTIVE 1 Wentworth is a vibrant, growing and thriving shire



Statutory Reporting Requirements

Wentworth Wharf

### ✓ Compliance with and effect of planning agreements

For the 2019-20 reporting period, there were nil planning agreements in place.

### Projects

#### Town Planning Consultancy

Council's Health and Planning Department continued to engage Advisian (Worley Group) for the development of the Flood Study, Flood Risk Management Study and Plan.

RMCG was also engaged to review and update Shire wide agricultural data previously prepared by them in 2015. This review and update will form part of the Rural Land Study currently underway.

#### Land Acquisitions

Local councils have broad roles and responsibilities in their communities, including the provision of facilities and the supply of public services. It is recognised that Wentworth Shire will sometimes need to acquire land to achieve its role and responsibilities as its community's needs change and any Council decision to acquire land must be made by a resolution of the Council at a Council meeting. Evidence of this resolution must be provided in the application to the Minister for Local Government for the acquisition of the land. The resolution must be contained in the formal/adopted minutes of the council. Copies of agendas, reports or draft minutes will not be accepted. Councils cannot acquire land for any reason they choose. Section 186 of the

Local Government Act 1993 requires a Council to only acquire land for the purpose of exercising any of its functions under the Local Government Act 1993.

Historically Council infrastructure has been built on crown land, many of these acquisitions are fixing up the past to secure the land for the future. As the process for acquiring land is lengthy, some processes have been underway for quite some time. The table on the following page includes all of the current land acquisitions in process as at 30 June 2020.





Buronga Wetlands Drainage Basin

### Building Control Operations Inspections for Building Control Operations

In the 2019-20 financial year, Council carried out inspections relating to building control that included but was not limited to building inspections, water and sewer inspections as well as compliance inspections.

467 inspections were carried out. The chart below details the number of inspections undertaken by month.

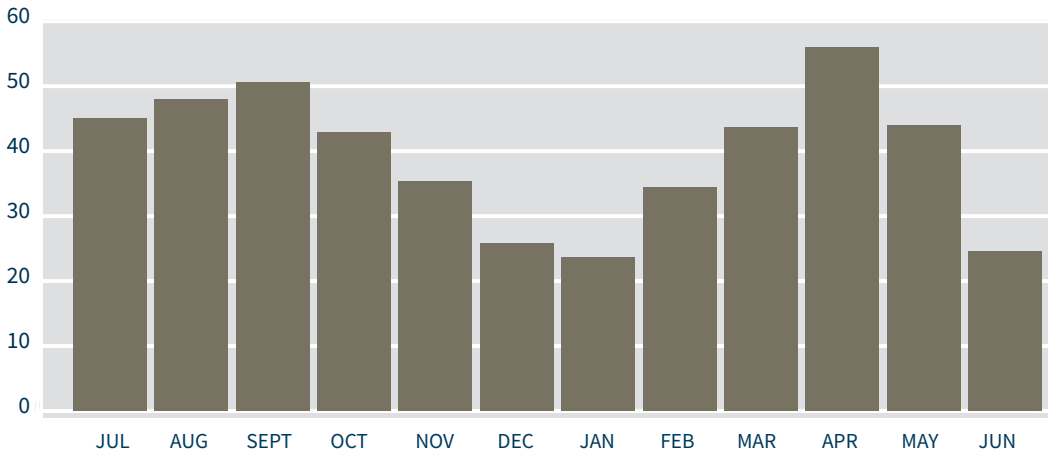
### Sewer Connections:

During the reporting period, Council approved 29 sewer connections as well as 10 amendments. This is an increase from the 2018-19 financial year by approximately 12% where Council approved 26 connections and 8 amendments.

### Water Meter Connections:

In 2019-20, Council issued 63 water meters. This is an increase from the 2018-19 financial year by approximately 47% where Council issued 43 water meters.

### Monthly Building Control Operations Inspections

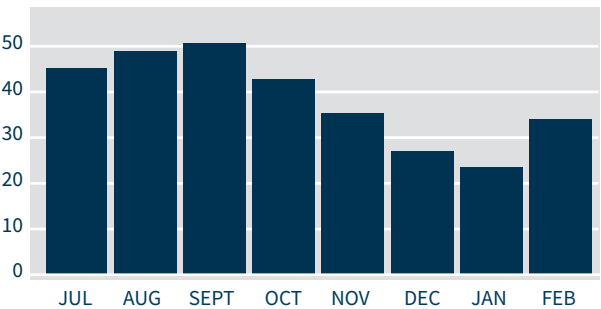


### Health Inspections

Wentworth Shire Council has statutory obligations under the Food Act 2003 and the Public Health Act 2010 and their subordinate regulations. These obligations ensure continued public health protection for our residents and visitors in the health inspection space.

During the reporting period, Council's Environmental Health Officer carried out 95 inspections as shown in the chart right.

### Health Inspections by Month

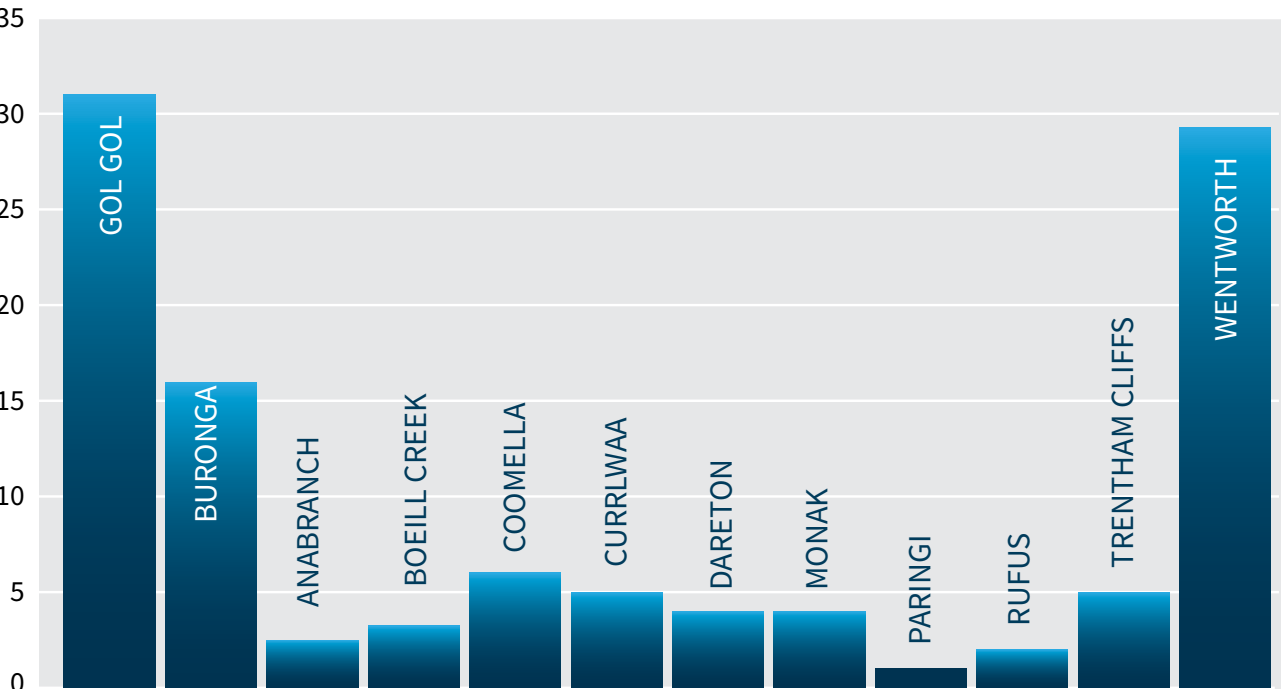


It is important to note that inspection numbers fell for the reporting period as COVID-19 affected the latter 6 months of inspection for the reporting period.

Land Acquisition	Location	Purpose	Date Council approved commencement
Channel Road Realignment	Coomealla	Realignment of Road and Reserve	April 2018
East Wentworth – Apex Park	Emily Street, Wentworth	Sewer Pump Station	March 2018
East Wentworth Sewerage Ponds	Old Wentworth Road, Wentworth	Sewer treatment works and easement	February 2018
Sewer Realignment Easement Buronga Sewage Pump Station #1	Hendy Rd, Buronga	Easement for sewer pipeline over private land	September 2017
Little Manly	Little Manly Lane, Curlwaa	Purchase of term lease and land	April 2019
Drainage Basin 3	Pitman Avenue, Buronga	Stormwater	November 2019
Road rear Edge Hotel	Bridge Road, Buronga	Formalisation of Road	October 2019
Sewer Pump Station No 1	Alice & Adelaide Street, Wentworth	Sewer Pump Station	September 2019
Dareton Boat Ramp area	Kookaburra Drive, Dareton	Dareton Sewer Treatment Plant and existing infrastructure	December 2019
Riverboat Pumpout Station EDS	Golf Course Road, Dareton	Effluent Disposal Station	December 2019
Septic Ponds	Cnr Silver City Highway and Kookaburra Drive, Dareton	Land extension	December 2019
Golf Course Road	Golf Course Road, Dareton	Formalisation of Road	December 2019
Buronga Wetlands	Sturt Highway, Buronga	Raw Water Pump Station and Stand Pipe	October 2019
Sewer Pump Station	Ryder Crescent, Wentworth	Pump Station and Easement for access	December 2019
Riverboat Pumpout Station EDS	Adams Street, Wentworth	Effluent Disposal Station	February 2020
Riverboat Pumpout Station EDS	Caravan Park Road, Buronga	Effluent Disposal Station	December 2019



Development Applications by Suburb



Development Applications by Suburb

**Housing and Community Amenities (Operational)**

**Development Applications:**

In the 2019-20 reporting period, 108 development applications were approved. The chart above shows the majority of development occurred in Gol Gol with 31 development applications approved. Wentworth closely followed this with 29 and Buronga had 16.

**Subdivisions:**

During the 2019-20 financial year, Council saw 140 new residential lots created. Compared to the 2018-19 financial year, which saw 235 new lots. This figure demonstrates that subdivision applications dropped by approximately 59% during the reporting period, with Council expecting an increase in development in the future.

**Planning Certificates:**

A section 10.7 Planning Certificate was previously known as a Section 149

Certificate. The Certificate provides information regarding the development potential of a parcel of land. There are two types of Section 10.7 Planning Certificates.

A Section 10.7(2) certificate shows the zoning of the property, its relevant state, regional and local planning controls and other property constraints such as land contamination, level of flooding and bushfire prone land. A Section 10.7(2) and 10.7(5) certificate provides the same information as above but also includes other factors such as advice from other authorities and certain information that Council holds on a property that is relevant to the land, but not disclosed in a Section 10.7(2) certificate.

During the reporting period, Council issued 415 planning certificates. During the 2018-19 financial year Council issued 367 planning certificates. This means the 2019-20 financial year saw

a 12% increase in the number of planning certificates issued.

**Complying Development Certificates:**

A Complying Development Certificate (CDC) is a form of planning and building approval issued by an accredited building certifier or a Council in the form of a Complying Development Certificate (CDC). This certificate combines approval for use of the land and the building construction works. During the reporting period, external accredited certifiers issued 57 CDC's.

**Construction Certificates:**

A Construction Certificate (CC) confirms that the construction plans and development specifications are consistent with the development consent, and comply with the Building Code of Australia and any other council requirements. During the reporting period, 62 CC's were issued.



New subdivision in Buronga Gol Gol

**Strategic Planning**

**Buronga Gol Gol Structure Plan:**

Council's Health and Planning team provided a draft copy of the Buronga Gol Gol Structure Plan (BGGSP) to Councillors in December 2019, seeking their feedback and comments by mid-February 2020.

Council distributed the draft BGGSP to various state agencies and the Department of Planning (DPIE) during the same time to seek pre-exhibition comments and feedback.

Council publicly exhibited the final draft BGGSP from 9 May 2020 to 9 June 2020.

At the close of exhibition, Council had received 19 submissions.

By the close of the financial year, Council's Health and Planning Department were reviewing the submissions received from both the community and state agencies.

**Local Strategic Planning Statement**

Council's Health and Planning team finalised the Local Strategic Planning Statement (LSPS) in March 2020, and published this document on the Department of Industry and Environment portal, as well as Council's website for public access and information. This document sets the land use framework for Council's

economic, social and environmental land use needs over the next 20 years.

**Community Participation Plan**

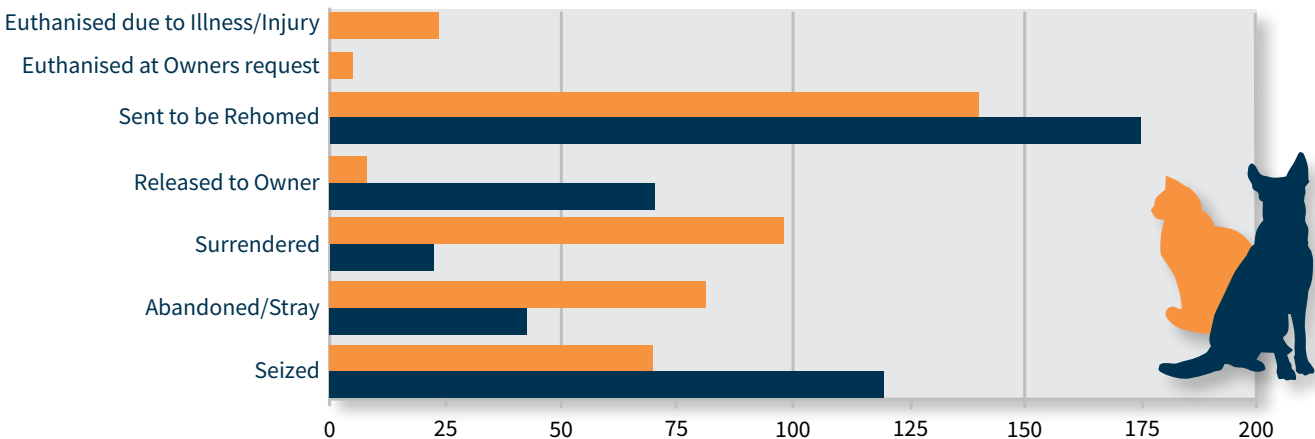
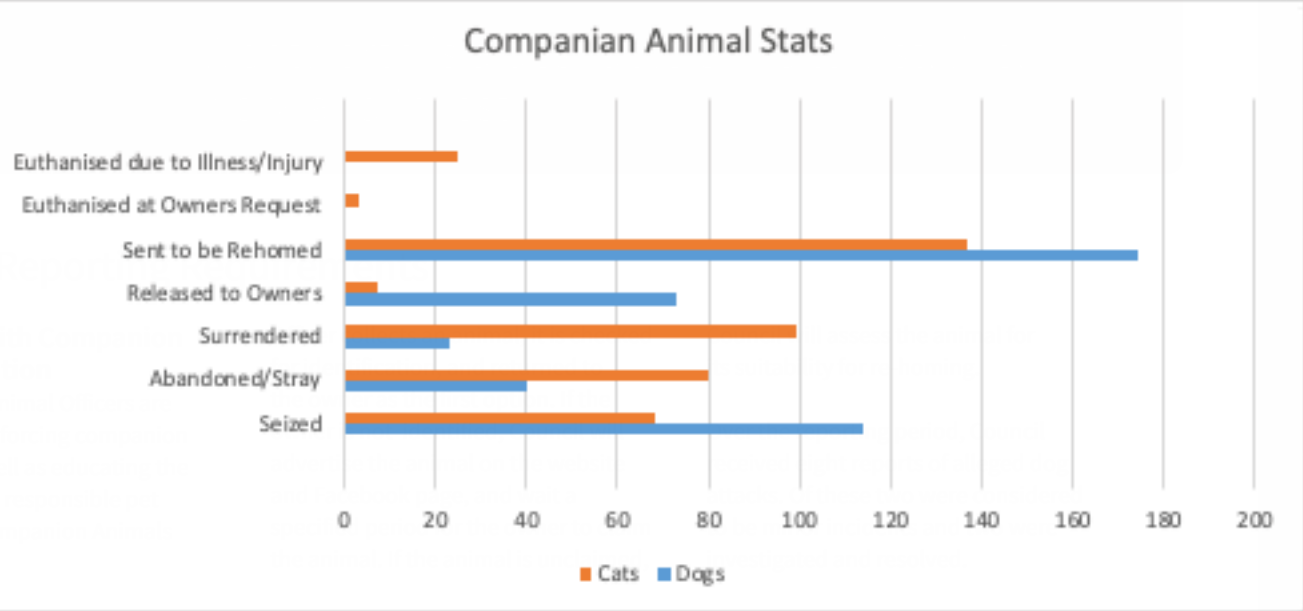
Community Participation Plans (CPPs) set out how local planning authorities will engage with local communities across relevant statutory planning functions. Council's Health and Planning Department prepared a Community Participation Plan as required under the reforms to Environmental Planning & Assessment Act 1979. Council exhibited this plan between September and October 2019, which was adopted by Council at its Ordinary Meeting held on 20 November 2019.



OBJECTIVE

Statutory

 **Compliance with Animal Regulation**  
Our Companion Animal Regulation is responsible for ensuring compliance with animal laws, as well as providing the community with information about responsible pet ownership. If a Companion Animal is found to be in breach of the regulations, the Council can issue a notice of contravention, which requires the owner to take specific actions to bring the animal into compliance with the law.



Buronga Pound





## Disability Inclusion Plan

Wentworth Shire Council adopted its Disability Inclusion Action Plan 2017-2021 in June 2017. The Plan outlined Council's intended actions to ensure access and participation to all public buildings, spaces and events so they can be enjoyed by all residents, regardless of disability.

The Disability Inclusion Action Plan was developed through a community consultation and research process. A review of Council documents and government policy took place together with a staff survey. Community consultation involved talking with people from across the community and from a variety of stakeholder groups and members of the Shire, including a pop-up information stand at our Australia Day celebration and the active encouragement of resident input at Community Engagement sessions held across the Shire.

### Actions undertaken from the plan in 2019-20.

#### Strategy 1.1 Ensure public consultation is undertaken

##### Action: Surveys and Feedback

Council continues to provide all information seeking community input on its website. This year Council has also expanded its advertising in the local newspaper to include a full-page advertisement on Saturday's, promoting the range of activities and consultations seeking community feedback. Council's Facebook presence also continues to increase, with a growing number of posts providing information on Council activities and a growing number of followers.

#### Strategy 2.1 Identify and remove barriers to entry

##### Action: Aids

During 2019-20 Council purchased 24 Bariatric height adjustable chairs to cater for people with mobility issues. These chairs have been placed across Council's facilities including the libraries, function venues and Council Chambers.

##### Action: Convenience

Under the Stronger Country Communities Fund Council has sourced funding to increase disabled access to public conveniences across the Shire. This includes the addition of disabled access toilet cubicles at both James King Park in Gol Gol and Darling Street in Wentworth.

#### Strategy 2.3 Public buildings and spaces are accessible to all

##### Action: Safety

Council continues to upgrade its shared ways and footpaths across the municipality. This has included improvements to access at the following locations: Pitman Avenue, Buronga, Darling Street, Wentworth and Devenport Street, Dareton.

##### Action: Libraries

Wentworth Shire Libraries continued to increase the stock of large-print, audio and digital products available for borrowers during the 2019-20 financial year. This included \$7,825 of large-print, \$9,600 of audio and \$7,000 of digital products. This was particularly valuable when Council was required to close during the Coronavirus pandemic, as it allowed the Libraries to continue providing services to their members.

During this period staff regularly checked in with members to see how they were, exploring options of how they could continue to deliver library services to them during this time in a COVID-safe manner.

#### Strategy 4.1 Proactively deliver services which cater for all residents

##### Action: Data capture

Council's Disability Inclusion Plan continues to be available to the public on Council's website.

#### Strategy 4.3 Communicate effectively to the public

##### Action: Communication

During the year Council has upgraded its website to be more user friendly. Council also continues to increase its social media presence through Facebook, where information is provided in easy English wherever possible. The weekly What's On full page advertisement in the Sunraysia Daily each Saturday also helps increase the range of information available about Council's activities in an easy to read format, with pictures to help explain where possible. Council has also undertaken an increased media campaign with regular media releases produced throughout the year and an increased presence on the local radio updating residents on what is happening.





Grants

Stronger Country Communities Fund

Since 2017, the Stronger Country Communities Fund (SCCF) has supported more than 1,000 local projects to make regional communities even better places to call home. Wentworth Shire Council was successful in acquiring funding through the SCCF Grant for a number of projects in Round 1 and Round 2, including the following projects which were underway during the 2019-20 financial year.

Curlwaa Memorial Hall Replacement – Round 1

Funding was secured for the redevelopment of a new Community Hall at the Curlwaa Recreation Reserve including a new car park to service the building. The old building had been condemned due to major termite infestation.

**Project Budget: \$400,000**  
funded \$300,000 by SCCF,  
\$75,000 from Council and  
\$25,000 from Curlwaa Scouts.

Start date: March 2018  
Completion date: June 2020

Barrett Pavilion Upgrade (Wentworth Showgrounds) – Round 2

Funding secured through SCCF, along with funding sourced from various community groups, saw the construction begin on the new Wentworth Show Society Pavilion. The project also included the demolition of the current Barrett Pavilion building from the Wentworth showgrounds complex.

**Total Budget: \$974,220**  
including \$450,000 in funding from SCCF and contributions of \$200,000 from the Wentworth Show Society, \$100,000 from Wentworth and District Community Bank, \$50,000 from Relentless Resources, \$10,000 from the Wentworth District Racing Club and the balance from Council funding.

Start date: February 2019  
Estimated Completion date: January 2021

Amenities (Public Toilets) Upgrade – Round 2

Council obtained grant funding through SCCF to upgrade the aging public toilets facilities throughout the Shire. All facilities received internal and external upgrade works. Works included; new internal fittings, painting, tiling and roof repairs and the addition of disabled toilets at some facilities. Locations of the toilet upgrades included James King Park, Gol Gol; Darling Street,

Wentworth; Alcheringa Oval, Buronga; Wentworth Sporting Complex, Wentworth; Fotherby Park, Wentworth; O'Donnell Park, Curlwaa; Strother Park, Wentworth; Lions Park, Dareton; Coomealla Cemetery, Coomealla, Gol Gol Cemetery, Gol Gol; Buronga Wetlands, Buronga; Midway, Buronga; Short Street, Wentworth; McLeod Oval, Wentworth and Pitman Avenue, Buronga.

**Total Budget: \$400,000**  
from SCCF funding.

Start date: February 2019  
Estimated Completion date: November 2020

George Gorgon Oval Netball Courts and Lights – Round 2

Funds were received to undertake upgrade works at the George Gordon Oval, specifically the installation of two new netball courts alongside the existing playing surfaces. The project involved excavating the base, preparing the concrete slab, finishing the concrete playing surface and stormwater installation. The upgrade also included lighting and fencing for the perimeter of the courts.

**Total Budget: \$440,000**  
including Council's contribution of \$40,000

Start date: February 2019  
Estimated Completion date: November 2020



Carramar Drive Oval Lighting Upgrade

Wentworth Sporting Complex – Round 2

Installation of two new synthetic turf tennis courts and the upgrade of the existing playground including new equipment and fencing. Works also included the installation of LED light fittings for both the tennis courts and bowling greens with new power supply box to meet current standards.

**Total Funding: \$300,000**

Start date: February 2019  
Estimated Completion date: November 2020

Wentworth Riverfront

The Wentworth Riverfront project aimed to improve the amenity of the Wentworth Riverfront, making it a more attractive place for visitors and locals to enjoy. This included improving the BBQ facilities and associated infrastructure such as picnic tables, bins and lighting, as well as landscaping works and the installation of new playground equipment.

**Total Funding \$200,000**

Start date: February 2019  
Estimated Completion date: November 2020

Buronga Riverfront – Round 2

Council are undertaking upgrade works to the sporting trails and community recreational areas along the Buronga Riverfront via Caravan Park Road. Works include installation of new sporting trails while undertaking upgrades to existing trails along the west and east of the George Chaffey Bridge. A nature play area incorporating picnic facilities and grassed areas will further enhance the riverfront west of the Bridge.

**Total Budget \$300,000**

Start date: February 2019  
Estimated Completion date: November 2020

Carramar Drive Oval Lighting Upgrade – Round 2

As part of the Stronger Country Communities Fund and the Drought Communities Extension Fund, Council was successful in acquiring funding to upgrade the Carramar Sporting Complex lighting. The project involved improving the facility with upgraded lighting infrastructure to accommodate for night games, practice, and training sessions. The project consisted of the decommissioning of the existing lighting and the commissioning of the new LED floodlight towers at each quadrant of the oval.

**Total Budget: \$348,389** with \$119,145 in SCCF funding, \$181,000 from Drought Communities Extension Fund and a Council contribution of \$48,244

Start date: February 2019  
Completion date: June 2020





Wentworth Showgrounds Pavilion

### Drought Communities Extension Fund

The Drought Communities Programme (DCP) supports communities in the most drought-affected regions of Australia. On 19 August 2018, the Australian Government announced it would extend the DCP to support local infrastructure projects and other drought-relief activities in 180 eligible Local Government Areas. Project funding was to provide short-term support for local economies, including boosting local employment and procurement, and address social and community needs. As well as partially funding the Carramar Drive Oval Lighting Upgrade, Wentworth Shire Council used the funding to upgrade and refurbish a number of small local halls across the drought affected communities. While these projects commenced in 2018/19, the projects were finalised in the 2019/20 financial year.

#### Pooncarie Hall Refurbishment

The Pooncarie Hall refurbishment included the installation of a new verandah around three sides of the hall. Kitchen upgrades including stainless steel benches, a cool room, additional oven, commercial dishwasher and modifications to the server completed this project.

**Total Funding: \$220,000**

Start date: November 2018

Completion date: March 2020

#### Anabranah Hall and Tennis Courts Refurbishment and Upgrade

Anabranah Hall received a new purpose-built toilet block to replace the old tin hut toilets, which were removed. The new toilet block comprises three female toilets, two male toilets and a urinal, disabled toilet and shower and two unisex showers. The hall itself was also extended and a verandah added to the extension.

**Total Funding: \$190,000**

Start date: November 2018

Completion date: March 2020

#### Pomona Hall Refurbishment and Upgrade

The old section of the Pomona Hall (eastern section) was demolished and a new structure with kitchen, oven, fridges and stainless-steel benches was constructed. The new area is an open plan design that was achieved through consultation with the local community.

**Total Funding: \$160,000**

Start date: November 2018

Completion date: March 2020

#### Wilkinson Hall Refurbishment and Upgrade

Wilkinson Hall received new internal toilets and an additional room constructed for use as a Vintage Car Club Library. During construction, it was identified the roof also needed replacing, which allowed for an internal wall to be removed creating a much larger open plan space. A ramp and steps were also constructed on the western entrance.

**Total Funding: \$159,000**

Start date: November 2018

Completion date: March 2020



### Wentworth Shire Libraries Grant

**New and Replacement Book Stock**  
During the 2019-2020 financial year, Wentworth Shire Libraries expended \$50,225 on new and replacement books, MP3s, DVDs, Magazines, eBooks, Audiobooks and Large Print. Hundreds of new items in our libraries were borrowed thousands of times to over 1500 members. Price per use averages out to approximately \$3.50 per book, with five people on average borrowing each new title per year. Over the years, many members have saved hundreds of dollars borrowing from the library collection. Our most popular collections remain our children's picture books and our adult fiction.

### Wentworth Shire Libraries Grant

#### Local Priority Grant

The Wentworth Shire Libraries received a local priority grant of \$14,000 for the 2019-2020 financial year. This grant was expended on program and event delivery for the community, staff training and equipment for the library branches.

#### Local Priority Grant Expenditure

27/5/2019	ALIA training – Futureproof digitisation skills
29/5/2019	ALIA Training – Community Engagement
15/6/2019	New Junior Readers CENGAGE LEARNING
17/8/2019	Stig! Live
4/10/2019	New Street Library
8/11/2019	School Performance Tours (Shekere Kindy)
19/11/2019	Apple iPad Pro with keyboard attachment & cellular
9/12/2019	New Membership Cards design and produced
4/03/2020	Haynes Manuals access subscription
27/3/2020	ALIA training – STEM in Libraries
30/03/2020	Australian Ballet Storytime
14/5/2020	SOLUS Library App Development
CANCELLED	“Come and Try Ballroom dancing”



To meet the future power needs of the Willow Bend Caravan Park, new internal underground high and low voltage power lines and switch boards have been installed.



Pictured at the Mayoral presentation are Bob and Marj Jolley (centred).

## Projects

### Wentworth and Dareton Pool Pump Upgrade and Painting

In 2019/20, pumps were upgraded at both the Wentworth and Dareton Pools prior to the 2019/20, swimming season. The three pools at Wentworth were also repainted in September 2019 ready for the swimming season. Minor repair works were undertaken at Wentworth pool in preparation for the re-tiling of the pools in the 2020/21 financial year.

**Total Expenditure: \$30,000**

### Palm Island Landscaping

The entrance to Wentworth from the east, at the Silver City Highway and Armstrong Avenue, features a traffic island affectionately known by locals as Palm Island as it was home to a number of Palm Trees. In May 2020, upgrade works commenced on the Palm Island Garden Upgrade. The project scope included; the removal and clearing of the existing site area, installation of a new irrigation system, the preparation, set out and completion of new plantings.

**Budget \$45,000**

### Willow Bend Caravan Park Redevelopment

Willow Bend Caravan Park abuts the Darling River, just west of the bridge at Wentworth. Wentworth Shire Council leases this piece of community land from the Crown in order to provide a Public Caravan Park in the township of Wentworth.

In 2017, Council took over the management of the Caravan Park and appointed Manager's to oversee the day-to-day operations of the park. Council's objectives for the operation of the Park are to:

- Provide an attractive, accessible and family friendly tourist park that capitalises on the park's location
- Attract a broader range of visitors to the park
- Enhance the commercial capacity of the park and ensure that the park remains financially sustainable in the long term
- Council commenced upgrade works at Willow Bend Caravan Park during the 2019/2020 financial year

### The following works have commenced. Upgrade of High and Low Voltage Power

To meet the future power needs of the Willow Bend Caravan Park, new internal underground high and low voltage power lines and switch boards have been installed. This work is now complete and is awaiting final approval from Essential Energy for the upgrade of the high voltage transformer and mains switch-board.

### Facility Upgrades

During 2019/20 Council also commenced a range of upgrade works on the western end of the park.

This included:

- Removal of the old camp kitchen
- Construction of a mound for placement of the new camp kitchen
- Capping and removal of services:
  - > Water
  - > Site Power heads
- Raising the level of the park above the 1 in 20 flood level with surplus fill from the Wentworth aerodrome project
- Removal of the amenity block at the western end of the park

## Community Events and Festivals Community Awards

### The 2020 Australia Day Awards

#### Recipients

Citizen of the Year:	Ted O'Shannessy
Young Citizen of the Year:	Lucy Cullinan
Environmental Award:	Bob Jolley
Young Sportsperson of the Year:	Emma Strachan
Sportsperson of the Year:	Neomai Burton

### Events

Council is committed to supporting local and regional events and festivals through financial and in-kind contributions.

As reported in previous years, Wentworth Shire has a plethora of events and festivals that deliver an economic boost to local communities across the Shire. In 2019/2020 the COVID-19 pandemic has seen the cancellation of many events.

### The NSW Environmental Citizen of the Year Award

Bob Jolley, affectionately known as "Bottle-O-Bob" raised more than \$25,000 from collecting in excess of 294,000 cans and bottles from the community. Funds raised were donated to help build a skate park for local kids.

Financial support was provided to the following events in 2019/2020:

Sunraysia Willowfest (Cricket Festival)	\$10,000
Sunraysia Safari Rally	\$5,903
Darling River Run	\$5,500
Wentworth Region Gift Cards	\$1,500
Wentworth Show	\$1,296
Murray River Tourism Forum Sponsorship	\$370
Ovarian Cancer Research Foundation	\$200
Mildura District Ski Club (Ted Hurley Ski Race)	\$15,000
Mildura Country Music Festival	\$11,550





## Operations

**Library Service Operation**  
Wentworth Shire Council deliver library services at three branches located in Buronga at the Midway Centre, Dareton on Millie Street and Wentworth on Murray and Short Streets. The Pooncarie residents have access to book borrowing through a serviced outpost at Pooncarie.

This year has been a strong year for community engagement with Council

staff generating new ways to partner, deliver and support programs to enhance community wellbeing. Libraries are so much more than books, they are places where communities gather to learn, connect and thrive. During the 2019/20 year, Council rolled-out some wonderful programs, workshops and events.

Highlights include a visit from narrator Stig Wemys who travelled

to local schools sharing hilarious tales, both tall and true; a visit from the Australian Ballet Company who held interactive workshops with children at Wentworth, Dareton and Buronga; and a wonderful visit from popular Australian fiction author Darry Fraser. Council delivered a total of 437 events and programs through-out the year, with 3,614 participants. Membership and programs remain free to all members of the community.

The global pandemic was a shock to us all and for the first time in over 30 years we saw the closure of all branches due to lockdowns state-wide.

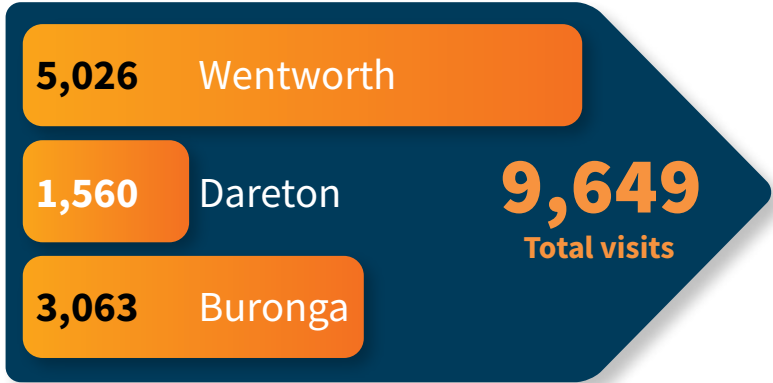
Library staff rallied to support the community with multiple well-being phone calls to isolated and vulnerable patrons, contactless home delivery of books and increased digital library services including access to Ancestry's genealogical search from home. It has been a large pivot for the library services and many activities and videos were moved online to continue community outreach in difficult times.

- Programs and services**  
Programs delivered in the past financial year include (but are not limited to):
- Tech Savvy Seniors classes
  - Book Clubs (at all branches)
  - Toddler story time sessions
  - School Holiday activities: movie nights, lego fun, science experiments, children's craft
  - Storytime for Indigenous playgroup at Dareton
  - Stig Wemys narrator visit
  - Australian Ballet Children's Workshops
  - Shekere Kindy Toddler event
  - Australian Reading Hour – Wentworth and Buronga
  - Adult Craft groups - social sewing, card making, bon-bon making, letter writing
  - Development of Library App for use on Smartphones and tablet devices
  - Author visit – Darry Fraser
  - Home deliveries

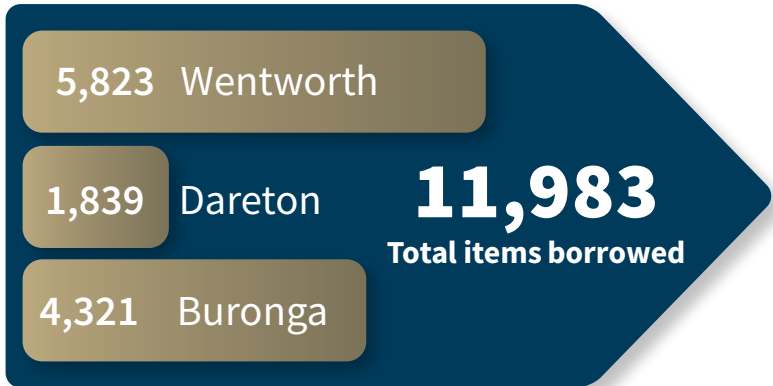
### Wentworth Shire Libraries Statistics for 2019-2020

Total Memberships  
**2,103**

Number of visits



Number of items borrowed



The library statistics indicate that Council has continued to make in-roads into the delivery of services that meet the needs of the community.



Visitor Service Operations

The 2019/2020 reporting period has seen one of the most challenging years for the Australian tourism industry. The Wentworth Local Government Area, like many others has experienced the impact of prolonged drought, followed by the effect of the world-wide COVID-19 pandemic.

On Tuesday 24 March 2020 the Wentworth Visitor Information Centre closed its doors to the public and serviced visitors via telephone and email inquiry until COVID-19 restrictions eased allowing a partial reopening on Monday 9 June 2020.

Throughout 2019/2020 the Visitor Information Centre strived to grow the visitor economy by marketing a “What we have to offer” campaign highlighting the Wentworth Region as a tourism destination.

The Centre heavily promoted and supported the region’s experienced and dedicated tourism operators, abundance of natural attractions, unique museums and galleries, riverfront parks, outback station stays, farm gate tours, locally grown food and wine producers, historic drive trails, World Heritage listed Mungo NP and the Murray Darling touring routes. The Visitor Information Centre managed the marketing campaign across various platforms including;

- Increasing the presence to actively promote tourism in the Wentworth Region through Social Media channels, news print advertising in the Sunraysia Daily and a regular broadcast booking on 1611 AM Radio station

These statistics gathered through the Wentworth Visitor Information Centre reflect the impact of the COVID-19 pandemic.

- Hosting a Wentworth Regional Promotional exhibit at the Mildura Centro Plaza showcasing the incredible tourism experiences visitors can have when coming to the region
- Participation in regional and cross border forums - Murray Regional Tourism Annual General Meeting in Echuca where staff liaised and consulted with other members from major tourism industry bodies including Destination Riverina Murray, Destination NSW and The Tourism Group
- Prepared and distributed of information packs at the Wentworth Show highlighting the attractions, touring routes, tour and accommodation providers, festivals and events

During the reporting period, collaboration continued between the Visitor Information Centre, tourism industry stakeholders and local community groups to identify tourism opportunities that generate unique experiences for visitors to the Shire. Initiatives from these groups are actively supported by Wentworth Shire Council, with communities encouraged to identify and promote their individuality.

A number of projects were initiated and delivered through association with Wentworth Regional Tourism Inc, the Darling River Run Working Group,

the Wentworth Traders Association, West Darling Arts, Mildura Regional Development, Sturt’s Steps, Rotary Club of Wentworth, RSL Memorial Rooms Community User Groups and the Wentworth Junction Rally Committee.

In this financial year we saw the introduction of Wentworth Shopping Gift Cards, the Darling River Run Directory and planned upgrades for the tourist information bays located within the Shire.

In recent years events have been an important driver of visitation to the region and contribute largely to the local economy. Events held during the first half of the financial year included the 30th Anniversary of Landcare, Murray Darling 110, Wentworth Races, Wentworth Country Music Festival, Wentworth Show, Pooncarie Cup, Flying Doctor Rowathon, Silver Lining Ride, Sunraysia Safari Rally, Wentworth Christmas Eve Street Party.

The Wentworth Show was a huge success and reached new heights with a record crowd of around 10,000 people attending over the two-day event.

The economic impact of not being able to host events was realised in March 2020 with difficult decisions made to either postpone or cancel several larger scale events surrounding the

YEAR 2019-2020				
Financial YTD			Trend	Monthly Average
Dom.	Int.	Total	% +/-	535.25
6,247	176	6,423	-26.3%	



2019 Triennial Wentworth Junction Rally

uncertainty during and beyond the COVID-19 pandemic. This included the cancellation of the Triennial Wentworth Junction Rally, which attracted approximately 3,000 people in 2017.

Wentworth Shire Council acknowledge that tourism plays a significant role in the economic prosperity of the Wentworth Shire, and works collaboratively with stakeholders to support the tourism industry through improved infrastructure and the development and retention of tourism product.

The Wentworth Visitor Information Centre is an important part of the overall tourism sector within the shire, with local staff providing information across the Shire communities. Staff regularly participate in training and development opportunities. This year staff participated in a number of industry famil’s including travel to Lake Victoria to meet with representatives from SA Water, Lock 9 to meet the Lock Master, Renmark to meet the Visitor Information Centre team and returned via the Wallpolla Island.

Since the re-opening of the Centre in June 2020, there has been a robust

return in visitation to the region. There is a strong focus on Mungo National Park and the Darling River Run touring route. Due to other states border closures, statistics show that most travellers are coming from the South Coast of NSW and completing the loop around NSW before returning home.

Visitors to this region often comment on discovering the magnificent scenic lookouts, the wide-open spaces, rolling red sand dunes, spectacular wildflowers, unique flora and fauna native to the region and above all the wonderful hospitality of the people who live in the Wentworth Shire.





Waste Operations

Council operates a Landfill at Buronga and Transfer Stations at Pomona, Dareton and Wentworth. Pooncarie and Ellerslie also have waste disposal facilities. The table below highlights the total waste received by location and where recorded the number of site visits.

Location	Mixed Waste Total (tons)	Recyclables (tons)	Total Site Visits
Buronga	24,833.94	1,824.8	13,864
Dareton	558.67	145.5	953
Pomona	112.86	N/A	97
Wentworth	1,685.15	870.88	2,939
Ellerslie*	459.44	N/A	N/A
Pooncarie*	995.92	N/A	N/A

\* Estimates only

Recreation and Culture

Council provides a range of recreation and cultural services to the community including parks and gardens, sporting facilities, halls and boat ramps.

Council provides a range of recreation and culture services as outlined:

Parks and Gardens

There are 9 gardeners employed by Council to maintain the numerous Parks, Gardens, Sporting Ovals and open space assets across the Shire. This equates to approximately 15,000 hours of gardener maintenance work per year.

Ovals

- Alcheringa Oval – Carramar Drive Sporting Complex
- Curlwaa Oval – Curlwaa
- George Gordon Oval – Dareton
- McLeod Oval - Wentworth

Public Halls

- Anabranh Hall
- Curlwaa Hall
- Midway Community Centre
- Pomona Hall
- Pooncarie Hall
- Wilkinson Hall
- Wentworth Civic Hall

Swimming Pools

- Dareton
- Wentworth

Boat Ramps

- Curlwaa
- Dareton
- James King Park
- Log Bridge – 2x Boat Ramps
- Pomona
- Pooncarie
- Wentworth Ski Reserve
- Wentworth Wharf

Public Toilets

Buronga:

- Pitman Avenue
- Buronga Wetlands
- Alcheringa Oval
- Midway Centre

Curlwaa:

- Curlwaa Rest Area
- O’Donnell Park

Dareton:

- Lions Park

- Kuhn Square
- George Gordon Oval
- Coomealla Memorial Gardens Cemetery

Gol Gol:

- Gol Gol Cemetery
- James King Park Gol Gol
- Wilkinson Park

Silver City Highway:

- Fruit Fly Rest Area
- Milpara Rest Area
- Bunnerungee Rest Area
- 7 Trees Rest Area
- Mine Site Bin Rest Area

Sturt Highway:

- Bottle Bend Rest Area
- Mallee Fowl Rest Area
- Taplin Mail Route Rest Area
- Trentham Rest Area
- White Elephant Rest Area

Wentworth:

- Darling Street
- Fotherby Park
- Junction Park
- McLeod Oval/Wentworth Skate Park
- Shire Offices

- Strother Park
- Wentworth Sporting Complex
- Wentworth Ski Reserve

Other toilets:

- Arumpo Rest Area
- Perry Sandhills
- Pomona Hall

BBQs

- Buronga Wetlands x 2
- Fotherby Park Wentworth
- James King Park Gol Gol x 2
- Junction Park Wentworth x 2
- Lions Park Dareton (opposite Caravan Park)
- O’Donnell Park Curlwaa x 3
- Tapio Park Dareton (behind library)
- Wentworth Skate Park x 2



## OBJECTIVE 3 Wentworth is a community that works to enhance and protect its physical and natural assets

### Statutory Reporting Requirements

#### ✓ Environmental Upgrade Agreement

For the 2019/20 reporting period, there were nil environmental upgrade agreements in place.

#### ✓ Capital Expenditure Review Update Wentworth Civic Centre Redevelopment

Council on 26 June 2019, accepted a tender from GSD Architects to undertake Project Management of the Civic Centre Redevelopment. Accordingly, GSD Architects were engaged to manage various phases of the redevelopment including planning, design, procurement, construction, commissioning and handover. A Council officer has been appointed to collaboratively work with GSD Architects.

The State Library of New South Wales confirmed on 5 June 2020, that Council had been successful in securing \$500,000 in funding by way of the 2019/20 Public Library Infrastructure Grant.

Council recently submitted a Funding Application for relocation of the Wentworth Visitor Information Centre to the Civic Centre as part of Round 7 of the Resources for Regions Program, and are awaiting a response. It is anticipated that notification of successful projects will be issued from mid-November 2020.

To date the following works have been completed:

- The concept design has been finalised for the ground and first floors of the Civic Centre to ensure functionality, serviceability and the inclusion of all required facilities to

promote a space that employees, the local community and visitors successfully utilise

- GSD Architects have prepared a 3D model design of the Civic Centre building
- GSD Architects, with the assistance of Council's officer, are in the process of preparing tender documentation for the construction and fit out of the building including "For Tender Issue" Drawings and Specifications
- A Preliminary BCA (Building Code of Australia) Assessment has been completed by Regional Building Consultants identifying areas of non-compliance within the Civic Centre
- Brandi Projects, a consultancy firm of designers, project managers and production staff based in Brisbane, were engaged by GSD Architects to complete a concept design for the relocation of the Wentworth Visitor Information Centre into the Civic Centre building. Interpretive themes and indicative project costings are to be included within the concept design
- Brandi Projects were provided a guided tour of the Civic Centre and local attractions within the Wentworth area, in an effort to obtain conceptual ideas on how to showcase our extraordinary region within the new Visitor Information Centre of the redeveloped building
- A Development Application for alterations to the existing building and change of building use, was lodged with the Wentworth Shire Council on 22 September 2020, reference DA2020/125
- BRT Consulting Pty Ltd have been engaged by GSD Architects to complete concept and option planning of mechanical and

electrical services throughout the building

- Council staff are compiling specifications for information and communications technology, infrastructure and systems required within the redeveloped building
- GSD has engaged a quantity surveyor to conduct an assessment based on current detail prior to going out to tender

Based on the outstanding work required to complete the specification detail it is anticipated that tender advertising for works associated to the construction and fit out of the Civic Centre will proceed mid-January 2021.

#### Wentworth Aerodrome Upgrade

Council are currently undertaking a major upgrade of the Wentworth Aerodrome. The works include the construction of a new 08/26 Runway and redevelopment of the existing 08/26 Runway to a parallel taxiway, plus an upgrade and expansion of the existing apron area. The new runway and supporting infrastructure have been designed to Code 2B instrument, non-precision requirements in accordance with the Part 139 (Aerodrome) Manual of Standards 2019 (MOS).

As part of the project Pilot Activated Lighting (PAL) will be installed enabling 24-hour usage of the aerodrome. This incorporates Aeronautical Ground Lighting (AGL), Apron Floodlighting and Illuminated Wind Direction Indicators (IWDI).

NSW Treasury confirmed in May 2019 that Council was successful in securing \$8,420,000 in Restart funding through the Regional Growth: Economic Activation Fund – Growing Local Economies Program.



Council are currently undertaking a major upgrade of the Wentworth Aerodrome.





With Council's contribution of \$700,000 the overall budget for the project equals \$9,120,000.

To date the following works have been completed:

- Site establishment;
- Full site survey and set up of reference markers;
- Installation of all stormwater culvert crossings and table drain connections;
- Installation of all electrical lighting duct bank crossings across runway and taxiway areas;
- Bulk earthworks cut and fill of 50,000m<sup>2</sup>, shaping and set out of the runway, taxiway and apron areas;
- Establishment of materials stockpile sites and supply and delivery of 40,000 tonne of class 3 road base materials;
- Lime stabilisation of 53,000m<sup>2</sup> of subgrade materials on the runway and taxiway;
- Placement of 75% of all runway pavement materials;
- New toilet block and undercover seating area have been ordered and delivery expected mid-September;
- New Aerodrome office building ordered and scheduled to be delivered to site mid-August;
- Awarding of runway and apron floodlighting tender;
- Awarding of the supply, delivery and placement of the bitumen, asphalt and Linemarking tender
- As at 30 June 2020 the project was running to schedule and on budget with no individual contract variations incurred to date. With the recent border closures and wet weather there may be delays incurred with the placement of the remaining runway material. The company that was awarded the contract is based in the border town of Mildura (Victoria)

Other supplies and services, namely electrical and lighting components that can only be purchased from outside the Shire may also be severely impacted by the NSW border closures

### Recovery and Threat Abatement Plans

For the 2019/20 reporting period, there were nil Recovery and Threat Abatement Plans in place.

### Grants Infrastructure NSW

#### Wentworth Aerodrome Upgrade

NSW Treasury confirmed in May 2019 that Council was successful in securing \$8,420,000 in Restart funding through the Regional Growth: Economic Activation Fund – Growing Local Economies Program. With Council's contribution of \$700,000 the overall budget for the project equals \$9,120,000.

As previously mentioned Council are currently undertaking a major upgrade of the Wentworth Aerodrome. The works include the construction of a new 08/26 Runway and redevelopment of the existing 08/26 Runway to a parallel taxiway.

**Total project budget \$9,120,000 including \$8,420,000 from the Growing Local Economies Program and \$700,000 from Council.**  
Start Date: July 2019  
Estimated Finish Date: June 2021

#### Buronga Effluent Disposal Station Facilities

This project involves the upgrade of the existing Buronga Effluent Disposal Station (EDS). The existing Buronga EDS was constructed over 30 years ago. Key features of the upgrade are as follows:

- Demolition of existing pontoon, gangway and concrete walkway (existing piles to be retained)
- Installation of concrete slab to provide on land solid waste disposal facilities
- Installation of new pontoon and gangway structures including two additional piles
- Installation of security fencing, electrical services and plumbing and drainage

Works on the Buronga EDS facility were put on hold due to the COVID-19 restrictions. Works re-commenced in May 2020 and the revised completion date is now anticipated to be March 2021.

**Total Budget \$627,000 fully funded by Boating Now NSW**  
Start Date: February 2019  
Estimated Completion Date: March 2021



Buronga Effluent Disposal Station



#### Ski Reserve and Log Bridge Road Boat Ramp Upgrades

Following the 2016 floods, many of the boat ramps across the Shire were damaged by flood waters. In February 2019, Council was able to secure funding under the NSW Government's Boating Now funding to install new boat ramps to replace the existing boat ramps at both the Wentworth Ski Reserve and Log Bridge Reserve. Works on these projects was completed in August 2019.

**Budget: \$251,000 fully funded by NSW Boating Now**

Started: February 2019  
Finish: August 2019

#### Gol Gol Water Treatment Plant

The Gol Gol Water Treatment Plant (WTP) was originally constructed in the 1990's. Much of the technology was manual and is now out-dated. This upgrade project was designed to automate and improve the efficiencies of the Gol Gol WTP, by replacing the existing electrical, civil and mechanical control systems. Modifications of the operating technology and associated sub-systems was necessary for the safe, reliable and automatic operation of the WTP. Critical remote sites of the WTP have also been upgraded, which are key components for the effective process and operation of the plant.

**Total Budget: \$2,235,072 including \$1,676,250 from the NSW Safe and Secure Water Fund and \$558,822 from Council.**

Start Date: November 2018  
Estimated Completion Date: February 2021

#### Sewer Rationalisation Project

Wentworth Shire Council currently has five sewerage schemes throughout the Shire, each reticulating to a Sewage Treatment Plant via small pumping stations. The Sewer Rationalisation project will rationalise the five schemes down to three sewerage schemes by decommissioning the treatment plants at Wentworth West and Dareton and upgrading the remaining schemes.

As a result, this project includes the de-commissioning and demolition of the Dareton and Wentworth Sewer Treatment Plants and upgrading of the Sewer Pump Stations at both locations. It also includes the installation of new Sewer Rising Mains (SRM) from West Wentworth to East Wentworth and from Dareton to the Namatjira Treatment Lagoons. The Namatjira and Wentworth East Sewerage Treatment Plant lagoons will be refurbished prior to the completion of this project.

**Budget: Restart NSW \$4.25 million, including \$2 million from Restart NSW and \$2.25 million from Council.**

Start Date: November 2018  
Estimated Completion Date: February 2021

#### Roads to Recovery Grant Funding

The Roads to Recovery Program is a Federal Government initiative that supports local Councils to maintain the nation's local road infrastructure assets. This helps facilitate greater access for Australians and improves the safety and economic and social outcomes for local communities.

Wentworth Shire Council's total expenditure on Roads to Recovery in 2019/20 was \$1,919,328. The main project funded through the 2019/20 Roads to Recovery Program was the upgrading of 11.1 kilometres of Tapalin Mail Road from unsealed to sealed. These works will assist in increasing road user safety and create better water run-off. The upgrade from unsealed to sealed will assist in providing efficiencies in maintenance and increase the longevity of the road.

The Roads to Recovery Program, also allowed Council to re-seal a number of local roads including:

- 1km of River Road, Coomealla
- 1.2km of Pitman Ave, Gol Gol
- 1.5km of Corbett Avenue, Buronga
- 700m of Darling Street, Wentworth
- 3.2kms of Delta Road, Curlwaa



Gol Gol Water Treatment Plant



Projects

Emergency Closure of Bunnerungee Bridge

A routine bridge inspection at the Bunnerungee Bridge in late October 2019 identified a structural problem, which resulted in the immediate closure of the bridge in late October 2019. Wentworth Shire Council was brought in to initiate traffic control and the construction of a gravel sidetrack. Major road sealing works were then undertaken, allowing all vehicles to continue along the Silver City Highway rather than having to take a 9-hour detour.



Budget: \$115,000 funded by Transport for NSW

Road Infrastructure Renewals

Each year Council allocates funding to help maintain its vast local road network. In 2019/20 Council used these funds between January and February 2020 to undertake works to seal the following previously unsealed locations:

- Ryans Road, Curlwaa
- Twin Isles Drive, Curlwaa
- Florence Point Road, Wentworth
- Kelso Road, Wentworth

Budget: \$400,000 funded by Council

Sharedways and Footpath Upgrades

Council has an extensive footpath network across the Shire that it is required to maintain to a safe standard to facilitate our community members to move around our communities with ease. Each year Council allocates funding to maintain the existing network and install new footpaths in growth areas as required. During the 2019/20 financial year, Council made improvements to the following footpaths:

- Devenport Street, Dareton
- Darling Street, Wentworth
- Pitman Avenue, Buronga

Budget: \$94,900 funded by Council

Village Signage Upgrade

In 2018, Council began the upgrade of town signage across the Shire. This included installing new town entry statements at Curlwaa, Ellerslie, Pomona, Pooncarie and Wentworth. This project continued into the 2019/20 financial year with new town entry signs installed in Buronga, Dareton and Gol Gol.

Budget: \$44,000 funded by Council

Drought Emergency Water Supply Works for Pooncarie

The Darling River was dry and the Pooncarie water supply from the Darling River weir pool was exhausted. Potable water was being produced from raw water drawn from a single emergency water bore and the reliability of the bore was unknown.

Emergency funding was required to secure the long-term future of the water supply for the town. The funding was used to install four bores of which three were successful in construction and ability to access water as a secondary water supply system for Pooncarie.

Budget: \$878,000 with \$658,500 from the Safe and Secure Water Fund and \$219,500 from Council.

Project Start Date: October 2019  
Estimated Finish Date: February 2020

Emergency Water Carting

Council received funding of \$240,000 from the NSW Government to undertake emergency, essential water carting to meet the domestic needs of the residents in Pooncarie and the Lower Darling areas not on the reticulated town water supply. Council continued to cart water to Pooncarie and the Lower Darling until May 2020.

Budget: \$240,000 funded by NSW Department of Planning, Industry & Environment from the Rural Drought Emergency Water Carting Funding Hendy Road Sewer



Main Replacement

The sewer infrastructure at the Buronga Sewer Pump Station has had longstanding odour and corrosion issues caused by excessive sewage detention times. This resulted in septicity flows into the existing sewerage system. To address this issue, the Hendy Road Main Replacement project was established to rationalise the existing system of manholes and construct a new sewer main from the low point in the existing rising main on the northern side of the highway to connect to a new gravity sewer on the Hendy Road service road. The project also decommissioned existing residential sewer lines and reconnected the new sewer main alignment.

Budget: \$810,000 funded by Council

Start Date: September 2017  
Finish Date: May 2020

Transport Operations

A large part of Council's operations is the maintenance and renewal of local, rural and regional roads. The NSW government also contracts Council to assist in the maintenance and upgrade of the Silver City and Sturt Highway's. Some key statistics relevant to the management of the local, rural and regional roads is provided below.

Road Conditions		Length/ Number	Existing Asset Costs (\$)	New Assets (\$)
Local Roads	Sealed	304.75 km	3,645,762	60,501
	Unsealed	1,641.17 km	958,270	0
	Bridges	12	767	0
	Roads Ancillary (eg footpaths, signs, etc)	N/A	165,825	60,828
Regional Roads	Sealed	220.6 km	1,220,456	0
	Unsealed	147.94 km	1,040,406	0
	Bridges	1	0	0
	Roads Ancillary (eg footpaths, signs, etc)	N/A	14,239	0



## Objective 4 Wentworth is a caring, supportive and inclusive community that is informed and engaged in its future

### Statutory Reporting Requirements

#### ✓ Report on activities funded via a special rate variation

Council did not have any activities funded via a special rate variation in the 2019-20 Financial Year.

#### ✓ Rates and charges written off

Rates & Charges	2019-20 \$
Total pensioner concession	\$184,417
Less Subsidy reimbursement	\$101,432
NETT Pensioner amount written off by Council	\$82,985
Concessions – additional pension rebate	\$0
Bad debts written off	\$0
Roundings	\$0
<b>TOTAL</b>	<b>\$82,985</b>

#### ✓ Contracts over \$250,000

Contractor	Contract	Value \$
RDG Electrical	Gol Gol Water Treatment Plant Upgrade	2,040,857.67
Mildura Truck Centre	Provision of Heavy Plant and Equipment	885,203.00
All State Eathworks	George Gordon Oval Netball Courts	361,432.44
CPM Building Contractors	Wentworth Community Pavilion Upgrade	1,071,642.00
Open Office	New Corporate Information System	512,600.00
Waters Excavation	Supply of Class 3 Road Base	1,120,240.00
Advanced Airport Lighting	Supply and Installation of Aerodrome Lighting - Wentworth Aerodrome	\$1,667,651.70
Mawsons Concrete and Quarries	Supply of Road Base	\$1,108,239.00

#### ✓ Councillor expenses

During the 2019-20 financial year, the following payment of expenses and provision of facilities, were provided to Councillors.

Councillors payment of expenses and provision of facilities	
Provision of dedicated office equipment allocated to Councillors	\$0
Telephone calls made by Councillors (includes internet costs)	\$6,948
Attendance of Councillors at conferences and seminars (see below)	\$18,801
Training of Councillors and provision of skill development (see below)	\$0
Interstate visits by Councillors including transport, accommodation and other out of pocket travelling expenses. (*) indicates interstate visit. (see below)	\$11,041
Overseas visits by Councillors	\$0
<b>TOTAL COUNCILLOR EXPENSES AND FACILITIES</b>	<b>\$36,790</b>

No other expenses or provisions were paid to Councillors or any spouse, partner or other person who accompanied a councillor in the performance of their civic functions. There was also no provision of care provided for a child of, or an immediate family member of, a councillor.

#### Councillors attendance/participation at conferences, seminars or training

Professional Development Activity	Evans	Elstone	Hederics	Heywood	MacAllister	McKinnon	Nichols	Nunan	Wheeldon
LGNSW Water Management Conference Sept 2019 - Albury		✓		✓	✓				
MDA Inter Regional Meeting Sept 2019 - Adelaide SA*					✓				
Water Symposium Oct 2019					✓				
Legalwise Professional Development Oct 2019					✓				
MDA 75th National Conference & AGM Oct 2019 - Toowoomba QLD*	✓			✓	✓				
Country Mayors Meeting Oct 2019			✓						
National Roads & Transport Congress Nov 2019 - Hahndorf SA*				✓					
Capability Assessment Jan 2020									✓
Development Plan Jan 2020								✓	
MDA Strategic Planning Workshops Mar 2020		✓		✓	✓				
Country Mayors Meeting Mar 2020			✓						



### ✓ Costs of legal proceedings

Council received a range of legal services over the 2019-20 financial year including:

- Legal advice and costs associated with planning matters (ongoing)
- Legal costs associated with the Native title
- Debt recovery for payment of unpaid rates
- Legal costs associated with the acquisition of a number of parcels of Crown Land (ongoing)
- Legal costs associated with development of a contract for the management of the Buronga Caravan Park

Legal Services	\$
Planning & Development	22,000
Native Title	21,500
Debt Recovery	18,000
Crown Land Acquisition Costs	3,000
Caravan Park	3,000
Other	500
<b>TOTAL</b>	<b>68,000</b>

### ✓ Resolutions for works carried out on private land

Council did not undertake any works on private land during the 2019-20 financial year.

### ✓ Council's contributions to others

Community groups seek a wide range of assistance from Council by way of fee waivers, donations, cash sponsorships, rate reductions and exemptions and in-kind support for services, events, awards and projects delivered within the community.

To support these community groups, Wentworth Shire Council allocates funding each financial year for Council's Donations, Contributions and Grants program. For the 2019/2020 financial year, Council allocated just over \$230,000 to the following organisations:

Organisation/Recipient	\$ Value
Anglican Parish of Wentworth	86.00
Australian Inland Botanic Gardens	45,000.00
Bottle Bend Reserve Trust	5,520.00
Breast Screen NSW	1,578.18
Buronga / Gol Gol Senior Citizens	4,161.82
Coomealla Senior Citizens	9,976.87
Dareton Community Creative Centre	3,480.91
Dareton Kennel Club	210.00
Family Doctors	75,000.00
Gol Gol Hawkes Football Netball Club	335.45
Gol Gol Pre-School Inc	509.75
Great Murray Darling Interpretative Committee	5,250.00
Koori Kids	250.00
Mallee Family Care	240.00
Mid Lachlan Aboriginal Housing	234.00
Mildura Church of Christ	96.00
Mildura Vintage Vehicles Club	1,400.00
Millewa Football League	515.00
Murray House Aged Care	6,669.27
Murray House Fundraising Committee	174.55
New South Western Standard	6,335.45
NSW Rural Doctors Network	3,000.00
Palinyewah Public School	1,550.00
Palinyewah Public School P & C	1,250.00
Pomona Public School	100.00
Pooncarie Community Christmas Tree	222.00
Pooncarie Public School	50.00
Rotary Club of Wentworth	1,660.00
Rotary Wentworth Op Shop	9,423.64
Royal Flying Doctor Service	5,000.00
St John's Anglican Guild	44.00
Sunraysia Aeromodellers	307.27
Sunraysia Indigenous Church Ministry	438.00
Sunraysia Machine Knitting Club	222.00
Vintage Society of Sunraysia	159.60
Wentworth & District Pre-School	1,381.00
Wentworth Combined Churches	789.27
Wentworth District RSL Sub Branch	6,537.27
Wentworth Military Collection	4,545.45
Wentworth Public School P & C	1,282.73
Wentworth Racing Club	4,545.45
Wentworth Regional Tourism Inc	10,000.00
Wentworth Senior Citizens	2,844.27
Wentworth Shire Interagency Group	327.27
Wentworth Show Society	196.82
West Darling Arts	8,756.00
Wentworth Pioneer Homes Committee	6,251.60
<b>TOTAL</b>	<b>231,655.29</b>

### ✓ Partnerships where Council held a controlling interest

Council did not have any partnerships where it held a controlling interest in the 2019-20 financial year.

### ✓ Far West Joint Organisation of Councils

The Far West Joint Organisation of Councils (FWJO) is a separately constituted entity pursuant to Part 7 (sections 4000 to 400ZH of the Local Government Act (NSW) 1993, as amended, and the Local Government (General) Regulation 2008.

The principal functions of the Far West Joint Organisation are to:

1. Establish strategic regional priorities for the joint organisation area, and to develop strategies and plans for delivering these priorities;
2. Provide regional leadership for the joint organisation area, and to be an advocate for strategic regional priorities;
3. Identify and take up opportunities for intergovernmental cooperation on matters relating to the joint organisation area;
4. Enhancing strategic capacity to support member councils to deliver services to their communities; and
5. Service delivery to provide services directly to communities in the region.

The Far West Joint Organisation comprises the Councils of the Shire of Balranald, Broken Hill, Central Darling and Wentworth. The percentage ownership interest is equivalent to the percentage voting rights for all associates as follows.

The Board of the Far West Joint Organisation comprises:

- Four (4) voting members being the Mayors of the member Councils
- Four (4) 4 non-voting members being the General Managers of the member Councils
- Three (3) appointed non-voting members from the State Government and Cabinet

Wentworth Shire Council as a member of the Far West Joint Organisation, has a quarter voting right (25%) in respect to the decisions of the Board. Members of the Far West Joint Organisation are indemnified from liability for functions and duties carried out or omitted honestly in good faith, and with due care and diligence.

For the 2019/2020 financial year, Council was not required to make any monetary contributions to the Far West Joint Organisation.



**EEO Management Plan**  
Wentworth Shire Council values and understands equity and diversity in the workplace and expects its employees to treat each other and members of the community with dignity and respect, regardless of characteristics such as sex, marital status, family responsibility, race, religious commitment, age or impairment.

A number of policies, staff induction program and training opportunities supports Equal Opportunity. Together we work to ensure there is no discrimination, harassment and bullying in the workplace.

Wentworth Shire Council is committed to the development of a culture that is supportive of Equal Employment Opportunity (EEO) principles in the workplace. As an organisation, we are committed to the *Equal Employment Opportunity principles as outlined in the Local Government Act 1993* (section 344):

To eliminate and ensure absence of discrimination in employment on the grounds of race, sex, marital or domestic status and disability in councils; and

- *To promote equal employment opportunity for women, members of racial minorities and persons with disabilities in councils.*
- *Council is bound by a number of legislative requirements including:*
  - *NSW Anti-Discrimination Act 1977*
  - *Commonwealth Racial Discrimination Act 1975*
  - *Commonwealth Sex Discrimination Act 1984*
  - *Commonwealth Human Rights and Equal Opportunity Commission Act 1986*
  - *Commonwealth Disability Discrimination Act 1992*
  - *Local Government Act 1993*

**General Managers Remuneration Package**

General Manager Remuneration		\$
Salary component	241,182	
Superannuation	22,912	
Non-cash benefits	10,000	
TOTAL	274,094	

**Senior Staff Remuneration Package**

Senior Staff Remuneration		\$
Salary component	514,857	
Superannuation	48,843	
TOTAL	563,700	

**Swimming Pool Inspections**

Drowning in swimming pools is a significant cause of preventable death in children under five years of age. Pool owners are required by law to maintain the safety of their pool area and must ensure that children are properly supervised. All pool owners need to be aware of laws. Pool owners must register their pools online on the NSW Swimming Pool Register.

To meet our obligations under the relevant legislation, Council will inspect swimming pools under the following circumstances:

- Pools associated with moveable dwellings, tourist and visitor accommodation at three-year intervals
- At the request of a pool owner, inspect a swimming pool or spa pool prior to the sale or lease of the property
- Investigate complaints about breaches of the Swimming Pools Act 1992

During the reporting period, the Health and Planning team carried out six (6) inspections and issued two (2) compliance certificates.

**Government Information Public Access Act Report 2019 -2020**

GIPA requests received	2
Contraventions by Council of an information protection or of a privacy code of practice, or disclosure of personal information kept in a public register under Part 5 or Section 33	NIL

**Public Interest Disclosure Act 1994 and Regulation 2011**  
Information included in public interest disclosure activity as per Sec 31 of the Act and cl 4 of the regulation.

Section 31 of the Public Interest Disclosure Act 1994, requires each public authority, within four months after the end of the reporting year, to prepare an annual report on the public authority’s obligation under the Act for submission to the Minister responsible for the public authority. A copy of this report is to be provided to the Ombudsman.

	Made by public officials performing their day to day functions	Under a statutory or other legal obligation	All other PIDs
Number of public officials who made PIDs directly	0	0	0
Number of PIDs received	0	0	0
Of PIDs received, number primarily about: Corrupt conduct	0	0	0
Maladministration	0	0	0
Serious and substantial waste	0	0	0
Government information contravention	0	0	0
Local government pecuniary interest contravention	0	0	0
Number of PIDs finalised	0		

Note: The number of PIDs finalised only refers to PIDs that have been received since 1 January 2012.

Wentworth Shire Council has an internal reporting policy in place.

- Action taken to meet staff awareness obligations:
- Acknowledgement by staff on an annual basis that they are aware of the policy and have made themselves familiar with its content;
  - Internal training performed by Council.



# ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2020

## Projects

### Corporate Information System

Council's current Corporate Information System (CIS) was installed in 2004. At that time the system was cost effective and met the needs of a small Council. The system has become obsolete as it has not kept up with changes in technology over the last 15 years.

Modern CIS solutions are specifically designed for local government as an end-to-end business solution, integrating the various parts of Council's businesses into the one system. They provide multiple opportunities for improvements and efficiencies in internal processes and workflows, saving both time and money. They also make it easier for residents, property owners, customers and service providers to undertake business with Council.

During the 2019/20 financial year, Council began the process to replace its CIS. A tender process was undertaken and Open Office was selected as the preferred vendor due to their close fit with Council's list of requirements and their cost effectiveness.

Council has now commenced the process to implement the new system and it is anticipated Council will have transitioned over to the new system next year.

### Capital Plant Replacement

Wentworth Shire Council has a large capital plant fleet. It includes everything from work vehicles to transport staff to work sites, through to specialised equipment such as road sweepers, trucks, graders and mowers to allow them to maintain Council's assets for the benefit of the community. In order to maintain the fleet, a 10-year capital plant replacement schedule has been

developed to ensure the equipment remains fit for purpose and to reduce the ongoing maintenance costs and downtime.

During 2019/20 Council spent approximately \$1.29 million on new plant and generated approximately \$230,000 from trade-in's.

Upgraded plant included a low loader, two (2) free rollers, five (5) work utilities, two (2) sedans, a 4WD station wagon, two (2) mowers, two (2) plant trailers, a tip truck and a dump truck.

### Wentworth Depot Upgrades

In 2019/20 the Wentworth Depot received a minor upgrade with the installation of electronic roller doors in the store. Not only is this a work health and safety improvement, reducing the need to manually open and close the old heavy doors, but it has also made the store much more air tight. This has helped minimise the dust in the store, which is much needed given the increasing number of dust storms across the Shire. It has also helped manage the number of birds entering the store, reducing the amount of stock loss or damage.

### Buronga Depot Upgrades

Works have also been undertaken at the Buronga Depot to improve the office facilities and the dog pound. The dog pound improvements were aimed at making the facilities more secure and safer for animals housed overnight. This has included improving the cages by installing roller shutters externally on the cages to minimise exposure to bad weather. Minor repair works have also been undertaken to make them more secure, particularly for smaller animals.

Other areas that are used to service the pound have also been improved to better meet work health and safety standards, including improvements to the animal handling area, installation of facilities on-site to launder blankets used by the animals and improvements to the food preparation area. A number of security features have also been installed including more secure storage facilities and the installation of closed-circuit TV cameras (CCTV).

### Administration Operations

Administration Statistics	
Incoming Calls	27,283
Incoming Emails	18,426
Incoming Post	2,290
Walk In's Wentworth Adelaide St*	1,023
Walk In's Midway Service Centre*	665
Walk In's Wentworth Civic Centre#	360
Total Customer Requests	2,284
Property Transfers	279

\* All Council's Offices were closed from 23 March to 9 June 2020 due to the coronavirus pandemic.

# Council closed the Wentworth Civic Centre in January as staff relocated to the Adelaide Street Office over Christmas in preparation for the redevelopment of the Civic Centre.



# Wentworth Shire Council

## GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2020

### Wentworth Shire Council

Financial Statements 2020

### General Purpose Financial Statements

for the year ended 30 June 2020

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### Overview

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

26-28 Adelaide Street  
Wentworth NSW 2648

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

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

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

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

### Wentworth Shire Council

### General Purpose Financial Statements

for the year ended 30 June 2020

### Understanding Council's Financial Statements

#### Introduction

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

#### What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2020.

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

#### About the Councillor/Management Statement

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

#### About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

##### 1. The Income Statement

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

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

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

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

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

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

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

##### 5. The Statement of Cash Flows

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

#### About the Notes to the Financial Statements

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

#### About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

#### Who uses the Financial Statements?

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

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

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



## Wentworth Shire Council

### General Purpose Financial Statements

for the year ended 30 June 2020

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 16 October 2019.



Melisa Hederics  
Mayor  
21 October 2020



Tim Elstone  
Councillor  
21 October 2020



Ken Ross  
General Manager  
21 October 2020



Simon Rule  
Responsible Accounting Officer  
21 October 2020

## Wentworth Shire Council

### Income Statement

for the year ended 30 June 2020

Original unaudited budget 2020 \$ '000		Notes	Actual 2020 \$ '000	Actual 2019 \$ '000
<b>Income from continuing operations</b>				
8,664	Rates and annual charges	3a	8,822	8,635
4,910	User charges and fees	3b	7,798	5,422
1,258	Other revenues	3c	977	1,118
9,024	Grants and contributions provided for operating purposes	3d,3e	10,307	9,713
7,398	Grants and contributions provided for capital purposes	3d,3e	8,300	6,544
735	Interest and investment income	4	586	886
100	Net gains from the disposal of assets	6	80	215
–	Rental income	13	51	–
–	Net share of interests in joint ventures and associates using the equity method	18	–	1,461
32,089	<b>Total income from continuing operations</b>		36,921	33,994
<b>Expenses from continuing operations</b>				
8,853	Employee benefits and on-costs	5a	8,790	9,280
245	Borrowing costs	5b	206	216
4,473	Materials and contracts	5c	7,859	5,464
7,064	Depreciation and amortisation	5d	8,941	8,956
3,251	Other expenses	5e	3,388	3,618
–	Net share of interests in joint ventures and associates using the equity method	18	102	–
23,886	<b>Total expenses from continuing operations</b>		29,286	27,534
8,203	<b>Operating result from continuing operations</b>		7,635	6,460
8,203	<b>Net operating result for the year</b>		7,635	6,460
–	Net operating result attributable to council		7,635	6,460
–	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		(665)	(84)

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

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



## Wentworth Shire Council

### Statement of Comprehensive Income

for the year ended 30 June 2020

	Notes	2020 \$ '000	2019 \$ '000
<b>Net operating result for the year (as per Income Statement)</b>		<b>7,635</b>	<b>6,460</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	10(a)	8,793	1,523
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>8,793</b>	<b>1,523</b>
<b>Total other comprehensive income for the year</b>		<b>8,793</b>	<b>1,523</b>
<b>Total comprehensive income for the year</b>		<b>16,428</b>	<b>7,983</b>
Total comprehensive income attributable to Council		16,428	7,983

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

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

## Wentworth Shire Council

### Statement of Financial Position

as at 30 June 2020

	Notes	2020 \$ '000	2019 \$ '000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7(a)	10,413	6,327
Investments	7(b)	18,005	24,000
Receivables	8	5,546	3,456
Inventories	9a	202	207
Other	9b	213	156
<b>Total current assets</b>		<b>34,379</b>	<b>34,146</b>
<b>Non-current assets</b>			
Infrastructure, property, plant and equipment	10(a)	442,194	422,775
Intangible Assets	11	184	184
Investments accounted for using the equity method	18	1,359	1,461
<b>Total non-current assets</b>		<b>443,737</b>	<b>424,420</b>
<b>Total assets</b>		<b>478,116</b>	<b>458,566</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	14	3,578	1,537
Income received in advance	14	—	487
Contract liabilities	12	1,056	—
Borrowings	14	262	247
Provisions	15	2,212	2,110
<b>Total current liabilities</b>		<b>7,108</b>	<b>4,381</b>
<b>Non-current liabilities</b>			
Borrowings	14	4,032	4,292
Provisions	15	2,720	1,504
<b>Total non-current liabilities</b>		<b>6,752</b>	<b>5,796</b>
<b>Total liabilities</b>		<b>13,860</b>	<b>10,177</b>
<b>Net assets</b>		<b>464,256</b>	<b>448,389</b>
<b>EQUITY</b>			
Accumulated surplus	16	70,072	62,998
Revaluation reserves	16	394,184	385,391
<b>Council equity interest</b>		<b>464,256</b>	<b>448,389</b>
<b>Total equity</b>		<b>464,256</b>	<b>448,389</b>

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

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



## Statement of Changes in Equity

for the year ended 30 June 2020

	as at 30/06/20		as at 30/06/19	
	Accumulated surplus \$ '000	IPP&E revaluation reserve \$ '000	Accumulated surplus \$ '000	IPP&E revaluation reserve \$ '000
	Total equity \$ '000		Total equity \$ '000	
Notes				
Opening balance	62,998	385,391	56,538	383,868
Changes due to AASB 1058 and AASB 15 adoption	(561)	–	–	–
<b>Restated opening balance</b>	<b>62,437</b>	<b>385,391</b>	<b>56,538</b>	<b>383,868</b>
Net operating result for the year	7,635	–	6,460	–
<b>Other comprehensive income</b>				
– Gain (loss) on revaluation of IPP&E	–	8,793	–	1,523
<b>Other comprehensive income</b>	<b>–</b>	<b>8,793</b>	<b>–</b>	<b>1,523</b>
<b>Total comprehensive income</b>	<b>7,635</b>	<b>8,793</b>	<b>6,460</b>	<b>1,523</b>
<b>Equity – balance at end of the reporting period</b>	<b>70,072</b>	<b>394,184</b>	<b>62,998</b>	<b>385,391</b>

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

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

## Wentworth Shire Council

### Statement of Cash Flows

for the year ended 30 June 2020

	Original unaudited budget 2020 \$ '000	Notes	Actual 2020 \$ '000	Actual 2019 \$ '000
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
8,637 Rates and annual charges			8,699	8,523
5,345 User charges and fees			7,421	8,517
743 Investment and interest revenue received			707	776
16,708 Grants and contributions			15,946	13,143
1,088 Other			2,684	2,316
<i>Payments:</i>				
(8,612) Employee benefits and on-costs			(8,642)	(9,978)
(4,196) Materials and contracts			(9,415)	(6,027)
(241) Borrowing costs			(206)	(216)
(3,131) Other			(3,426)	(3,920)
<b>Net cash provided (or used in) operating activities</b>	<b>16,341</b>	17b	<b>13,768</b>	<b>13,134</b>
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
1,412 Sale of investment securities			75,000	63,000
450 Sale of infrastructure, property, plant and equipment			279	440
<i>Payments:</i>				
– Purchase of investment securities			(69,005)	(63,687)
(20,774) Purchase of infrastructure, property, plant and equipment			(15,711)	(11,288)
<b>Net cash provided (or used in) investing activities</b>	<b>(18,912)</b>		<b>(9,437)</b>	<b>(11,535)</b>
<b>Cash flows from financing activities</b>				
<i>Receipts:</i>				
3,150 Proceeds from borrowings and advances			–	–
<i>Payments:</i>				
(398) Repayment of borrowings and advances			(245)	(240)
<b>Net cash flow provided (used in) financing activities</b>	<b>2,752</b>		<b>(245)</b>	<b>(240)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>181</b>		<b>4,086</b>	<b>1,359</b>
6,327 Plus: cash and cash equivalents – beginning of year		17a	6,327	4,968
<b>6,508 Cash and cash equivalents – end of the year</b>		17a	<b>10,413</b>	<b>6,327</b>
24,000 plus: Investments on hand – end of year		7(b)	18,005	24,000
<b>30,508 Total cash, cash equivalents and investments</b>			<b>28,418</b>	<b>30,327</b>

The Council has not restated comparatives when initially applying AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*. The comparative information has been prepared under AASB 111 *Construction Contracts*, AASB 118 *Revenue*, AASB 1004 *Contributions*, AASB 117 *Leases* and related Accounting Interpretations.

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



## Notes to the Financial Statements

for the year ended 30 June 2020

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## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 21 October 2020. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The principal accounting policies adopted in the preparation of these 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.

**(a) Historical cost convention**

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

**(b) 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.

**Coronavirus (COVID-19) impact**

Covid-19 and even more so the associated government measures to slow the spread of the virus have had a significant impact on global and local economies and across communities and individuals.

Council has not been isolated from the direct and indirect effects of Covid-19 and has therefore had to react to the impacts of Covid-19 during the 2019/20 financial year and consider the impacts of Covid-19 in preparing these financial statements.

Potential impact of the pandemic on financial reporting for the year ended 30 June 2020 was performed through an analysis of the following categories:

- Impairment of financial and non-financial assets
- Potential provisions of onerous contracts and future rehabilitation works
- Financial liabilities as a result of breach of existing contracts
- Fair value assessment of non-financial assets
- Income and revenue
- Covid-19 stimulus packages
- Employee Benefit Provisions
- Going concern
- Capital Commitments

Analysis of the above categories was also performed considering after balance date developments of the pandemic effects in Australia and overseas.

Based on the analysis performed, Council did not find any material adjustments required to be done as a result of the pandemic.

Even though the pandemic had a widespread effect on slowing down the economy around the world, as at 30 June 2020 it is hard to predict any significant future implications on Council's business. Council business operations remain on the same pattern. Overall the financial impact has not been significant and is not anticipated to increase in future years.

Council is not aware of any post balance events which would result in separate disclosures or adjustments to the 30 June 2020 financial results. Hence, 30 June 2020 financial statements were prepared on a going concern basis.



## Notes to the Financial Statements

for the year ended 30 June 2020

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

#### 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 10
- (ii) estimated tip remediation provisions – refer Note 15
- (iii) employee benefit provisions – refer Note 15

#### 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 8

- (ii) Tip Remediation Provisions

Council has used significant judgement in determining future Tip Remediation Provisions - refer Note 15

#### Monies and other assets received by Council

##### (a) The Consolidated Fund

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

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

- General purpose operations
- Water service
- Sewerage service

##### (b) The Trust Fund

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

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

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

#### Goods and Services Tax (GST)

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

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

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

#### Volunteer services

Council does not rely on volunteer services. Council has not recognised any volunteer services in the income statement as

## Notes to the Financial Statements

for the year ended 30 June 2020

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

the value is immaterial, cannot be reliably measured and the services would not be purchased if not donated.

#### 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 2020 reporting period.

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

#### AASB 1059 Service Concession Arrangements: Grantors AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059 AASB 2019-2 Amendments to Australian Accounting Standards - Implementation of AASB 1059

This standard provides guidance for public sector entities (grantors) who have entered into service concession arrangements with private sector operators.

AASB 1059 requires to recognise a service concession and, in most cases, a corresponding liability on the balance sheet.

A control approach is used to assesses the service concession arrangements in place.

On initial recogniton the asset is measured at current replacement cost based on AASB 13 Fair Value Measurement and existing assets of the grantors are reclassified at the date of transition.

After initial recognition, the grantor accounts for the assets under either AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets.

The nature of the consideration given to the operator will affect whether the grantor applies either the 'financial liability' or the 'grant of right' model for the recognition of the liability.

AASB 2019-2 makes amendments to the recognition and measurement of the asset and liability where the modified retrospective approach to transition is being used and provides a practical expedient due to the different effective dates of AASB 16 and AASB 1059.

#### Council does not expect any material impact to future financial statements as we don't generally enter into service concession arrangement.

This standard has an effective date for the 30 June 2021 reporting period.

#### 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 1 July 2019.

Those newly adopted standards which had a material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures are further discussed at Note 16.



## Notes to the Financial Statements

for the year ended 30 June 2020

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

	Income, expenses and assets have been directly attributed to the following functions or activities. Details of those functions or activities are provided in Note 2(b).							
	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations	
	2020 \$ '000	2019 \$ '000	2020 \$ '000	2019 \$ '000	2020 \$ '000	2019 \$ '000	2020 \$ '000	2019 \$ '000
<b>Functions or activities</b>								
1. Wentworth is a vibrant, growing and thriving shire	907	979	2,437	2,607	(1,530)	(1,628)	–	47
2. Wentworth is a desirable shire to visit, live, work and invest	1,984	4,813	3,131	6,159	(1,147)	(1,346)	1,800	2,055
3. Wentworth is a community that works to enhance and protect its physical and natural assets	21,089	13,520	16,997	11,821	4,092	1,699	6,504	2,157
4. Wentworth is a caring, supportive and inclusive community that is informed and engaged in its future	12,941	14,682	6,721	6,947	6,220	7,735	6,842	6,733
<b>Total functions and activities</b>	<b>36,921</b>	<b>33,994</b>	<b>29,286</b>	<b>27,534</b>	<b>7,635</b>	<b>6,460</b>	<b>15,146</b>	<b>10,992</b>
							<b>43,678</b>	<b>43,528</b>
							<b>478,116</b>	<b>458,566</b>

## Wentworth Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2020

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

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

**1. Wentworth is a vibrant, growing and thriving shire**

- 1.1 Grow the potential of business and industry to develop and expand
- 1.2 Encourage and support population growth and resident attraction

**2. Wentworth is a desirable shire to visit, live, work and invest**

- 2.1 Grow visitation to the Shire by developing a quality visitor experience and promoting our destination
- 2.2 Enhance access to local health and aged care services
- 2.3 Enhance access to maternal and child health services, child care centres and pre-school services
- 2.4 Enhance access to education, skills and training
- 2.5 Maintain/create desirable open spaces and recreation facilities

**3. Wentworth is a community that works to enhance and protect its physical and natural assets**

- 3.1 Promote the efficient delivery of water supply, sewer and drainage services for the long term interests of future generations
- 3.2 Plan for and develop the right assets and infrastructure
- 3.3 Prepare for natural disasters, biosecurity risks and climate change
- 3.4 Reduce, reuse and recover waste
- 3.5 Recognise the importance of a healthy Murray-Darling River System

**4. Wentworth is a caring, supportive and inclusive community that is informed and engaged in its future**

- 4.1 Provide strong and effective representation, leadership, planning, decision-making and service delivery
- 4.2 Encourage locals to volunteer their time within their local community
- 4.3 Promote disability inclusion with the general community
- 4.4 Encourage the self determination of the Aboriginal community
- 4.5 Encourage the self determination of individual townships and community groups
- 4.6 Collaborate with others to achieve desired outcomes for the local community
- 4.7 Promote the celebration of the region's rich cultural and social heritage



## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 3. Revenue from continuing operations

	AASB	2020 \$ '000	2019 \$ '000
<b>(a) Rates and annual charges</b>			
<b>Ordinary rates</b>			
Residential	1058 (1)	1,985	1,916
Farmland	1058 (1)	1,735	1,666
Business	1058 (1)	1,521	1,482
Less: pensioner rebates (mandatory)	1058 (1)	(45)	(45)
Less: pensioner rebates (Council policy)	1058 (1)	(35)	(39)
<b>Rates levied to ratepayers</b>		<b>5,161</b>	<b>4,980</b>
Pensioner rate subsidies received	1058 (1)	45	45
<b>Total ordinary rates</b>		<b>5,206</b>	<b>5,025</b>
<b>Special rates</b>			
Tourism	1058 (1)	40	40
Levee bank	1058 (1)	–	119
<b>Rates levied to ratepayers</b>		<b>40</b>	<b>159</b>
<b>Total special rates</b>		<b>40</b>	<b>159</b>
<b>Annual charges</b>			
(pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic waste management services	1058 (1)	764	735
Water supply services	1058 (1)	1,218	1,190
Sewerage services	1058 (1)	1,640	1,572
Less: pensioner rebates (mandatory)	1058 (1)	(59)	(55)
Less: pensioner rebates (Council policy)	1058 (1)	(46)	(47)
<b>Annual charges levied</b>		<b>3,517</b>	<b>3,395</b>
Pensioner subsidies received:			
– Water	1058 (1)	19	19
– Sewerage	1058 (1)	18	17
– Domestic waste management	1058 (1)	22	20
<b>Total annual charges</b>		<b>3,576</b>	<b>3,451</b>
<b>TOTAL RATES AND ANNUAL CHARGES</b>		<b>8,822</b>	<b>8,635</b>

The **AASB** notation (above) identifies the revenue recognition pattern for material items of Council revenue:

**15 (1)** indicates income recognised under AASB 15 “at a point in time”.

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

#### Accounting policy for rates and charges

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts which is 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 in substance a rates payment.

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

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

#### 2019 accounting policy

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



Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

	AASB	2020 \$ '000	2019 \$ '000
<b>(b) User charges and fees</b>			
<b>Specific user charges</b>			
(per s.502 - specific 'actual use' charges)			
Water supply services	15 (1)	1,411	1,463
<b>Total specific user charges</b>		<b>1,411</b>	<b>1,463</b>
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>			
Inspection services	15 (1)	15	9
Planning and building regulation	15 (1)	252	230
Private works – section 67	15 (1)	65	47
Section 10.7 certificates (EP&A Act)	15 (1)	57	49
Section 603 certificates	15 (1)	28	22
Tapping fees	15 (1)	47	31
<b>Total fees and charges – statutory/regulatory</b>		<b>464</b>	<b>388</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s.608))</b>			
Aerodrome	15 (1)	53	84
Caravan park	15 (1)	3	–
Cemeteries	15 (2)	63	83
Library and art gallery	15 (1)	1	1
Refuse and effluent disposal	15 (1)	1	104
RMS charges (state roads not controlled by Council)	15 (1)	3,612	1,390
Waste disposal tipping fees	15 (1)	2,122	1,869
Animal control	15 (1)	27	37
Other – road opening permits	15 (1)	4	3
Other - Water Licence	15 (1)	37	–
<b>Total fees and charges – other</b>		<b>5,923</b>	<b>3,571</b>
<b>TOTAL USER CHARGES AND FEES</b>		<b>7,798</b>	<b>5,422</b>

The **AASB** notation (above) identifies the revenue recognition pattern for material items of Council revenue:

**15 (1)** indicates income recognised under AASB 15 “at a point in time”,

**15 (2)** indicates income recognised under AASB 15 "over time".

**Accounting policy for user charges and fees**

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

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

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

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

**2019 accounting policy**

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

	AASB	2020 \$ '000	2019 \$ '000
<b>(c) Other revenues</b>			
Rental income – other council properties (2019 only)	15 (1)	–	107
Legal fees recovery – other	1058 (1)	–	3
Diesel rebate	1058 (1)	129	106
Insurance claims recoveries	1058 (1)	109	54
Sales – general	1058 (1)	4	2
Facilities revenue	15 (1)	418	576
Insurance rebates	1058 (1)	50	55
Rural fire service reimbursements	1058 (1)	15	8
Sales – miscellaneous	1058 (1)	9	28
Other – other public works	1058 (1)	3	35
Other – meter readings	1058 (1)	8	6
Other	1058 (1)	232	138
<b>TOTAL OTHER REVENUE</b>		<b>977</b>	<b>1,118</b>

The **AASB** notation (above) identifies the revenue recognition pattern for material items of Council revenue:

**15 (1)** indicates income recognised under AASB 15 “at a point in time”,

**1058 (1)** indicates income recognised under AASB 1058 “at a point in time”.

**Accounting policy for other revenue**

Where the revenue relates to a contract with customer, the revenue is recognised when or as the performance obligation is completed and the customer receives the benefit of the goods / services being provided.

Where the revenue relates to a contract which is not enforceable or does not contain sufficiently specific performance obligations then revenue is recognised when an unconditional right to a receivable arises or the cash is received, which is earlier.

**2019 accounting policy:**

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

Parking fees and fines are recognised as revenue when the service has been provided, 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 comes first.



## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

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

	AASB	Operating 2020 \$ '000	Operating 2019 \$ '000	Capital 2020 \$ '000	Capital 2019 \$ '000
<b>(d) Grants</b>					
<b>General purpose (untied)</b>					
<b>Current year allocation</b>					
Financial assistance – general component	1058 (1)	2,112	2,085	–	–
Financial assistance – local roads component	1058 (1)	1,023	1,013	–	–
<b>Payment in advance - future year allocation</b>					
Financial assistance – general component	1058 (1)	2,237	2,162	–	–
Financial assistance – local roads component	1058 (1)	1,087	1,051	–	–
<b>Total general purpose</b>		<b>6,459</b>	<b>6,311</b>	<b>–</b>	<b>–</b>
<b>Specific purpose</b>					
Water supplies	1058 (1)	–	55	1,542	139
Sewerage services	1058 (1)	–	–	987	557
Bushfire and emergency services	1058 (1)	309	196	–	–
Community Services	1058 (1)	2	–	–	–
Animal Control	1058 (1)	4	–	–	–
Economic development	1058 (1)	6	20	–	–
Employment and training programs	1058 (1)	–	64	–	–
Environmental programs	1058 (1)	–	–	222	95
Library – per capita	1058 (1)	54	27	–	–
Library – special projects	1058 (1)	–	–	23	6
Noxious weeds	1058 (1)	29	28	–	–
Recreation and culture	1058 (1)	–	–	1,687	1,841
Street lighting	1058 (1)	43	42	–	–
Transport (roads to recovery)	1058 (1)	1,917	979	–	–
Transport (other roads and bridges funding)	1058 (1)	47	300	303	–
Aerodrome	1058 (1)	–	–	1,488	–
Water transport	1058 (1)	–	–	1	85
Other	1058 (1)	23	190	–	–
Other	1058 (1)	–	49	–	8
<b>Total specific purpose</b>		<b>2,434</b>	<b>1,950</b>	<b>6,253</b>	<b>2,731</b>
<b>Total grants</b>		<b>8,893</b>	<b>8,261</b>	<b>6,253</b>	<b>2,731</b>
<b>Grant revenue is attributable to:</b>					
– Commonwealth funding		8,376	7,310	412	716
– State funding		517	951	5,841	2,015
		<b>8,893</b>	<b>8,261</b>	<b>6,253</b>	<b>2,731</b>

The **AASB** notation (above) identifies the revenue recognition pattern for material items of Council revenue:

**1058 (1)** indicates income recognised under AASB 1058 “at a point in time”.

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

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

	AASB	Operating 2020 \$ '000	Operating 2019 \$ '000	Capital 2020 \$ '000	Capital 2019 \$ '000
<b>(e) Contributions</b>					
<b>Developer contributions:</b> <b>(s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>					
<b>Cash contributions</b>					
S 7.11 – Development Contributions Plan	1058 (1)	–	–	5	25
S 64 – water supply contributions	1058 (1)	–	–	51	45
S 64 – sewerage service contributions	1058 (1)	–	–	87	73
Service Plan # 2	1058 (1)	–	–	1	1
<b>Total developer contributions – cash</b>		<b>–</b>	<b>–</b>	<b>144</b>	<b>144</b>
<b>Total developer contributions</b>	26	<b>–</b>	<b>–</b>	<b>144</b>	<b>144</b>
<b>Other contributions:</b>					
<b>Cash contributions</b>					
Roads and bridges	1058 (1)	17	45	1	34
RMS contributions (regional roads, block grant)	1058 (1)	1,397	1,366	199	446
Other	1058 (1)	–	41	12	19
<b>Total other contributions – cash</b>		<b>1,414</b>	<b>1,452</b>	<b>212</b>	<b>499</b>
<b>Non-cash contributions</b>					
Dedications – subdivisions (other than by s7.11)	1058 (1)	–	–	959	3,170
Other	1058 (1)	–	–	732	–
<b>Total other contributions – non-cash</b>		<b>–</b>	<b>–</b>	<b>1,691</b>	<b>3,170</b>
<b>Total other contributions</b>		<b>1,414</b>	<b>1,452</b>	<b>1,903</b>	<b>3,669</b>
<b>Total contributions</b>		<b>1,414</b>	<b>1,452</b>	<b>2,047</b>	<b>3,813</b>
<b>TOTAL GRANTS AND CONTRIBUTIONS</b>		<b>10,307</b>	<b>9,713</b>	<b>8,300</b>	<b>6,544</b>

The **AASB** notation (above) identifies the revenue recognition pattern for material items of Council revenue:

**1058 (1)** indicates income recognised under AASB 1058 “at a point in time”.

#### Accounting policy for grants and contributions

##### Accounting policy from 1 July 2019

##### Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue are recognised when control of each performance obligations is satisfied.

The performance obligations are varied based on the agreement include but are not limited to events, vaccinations. 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.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.



## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

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

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.

##### Grant income

Assets arising from grants in the scope of AASB 1058 is recognised at the assets 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

##### Capital grants

Capital grants received to enable Council to acquire or construct an item of infrastructure, property, plant and equipment to identified specifications which will be under Council's control and which is enforceable 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 as there is no profit margin.

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

##### 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 the Council may apply contributions according to the priorities established in work schedules

##### Accounting policy prior to 1 July 2019

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner, or used over a particular period, and those conditions were un-discharged at reporting date, the unused grant or contribution is disclosed below.

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

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

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

	2020 \$ '000	2019 \$ '000
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##### (f) Unspent grants and contributions – external restrictions

Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner due to externally imposed restrictions.

##### Operating grants

Unexpended at the close of the previous reporting period	584	147
<b>Add:</b> operating grants recognised as income in the current period but not yet spent (2019 only)	–	441
<b>Less:</b> operating grants recognised in a previous reporting period now spent (2019 only)	–	(4)
<b>Less:</b> operating grants received in a previous reporting period now spent and recognised as income	(351)	–
<b>Unexpended and held as externally restricted assets (operating grants)</b>	<b>233</b>	<b>584</b>

Unexpended Operating Grants includes:

- Pooncarie Weir
- RMS Block Grant
- RFS R & M Grant.

##### Capital grants

Unexpended at the close of the previous reporting period	561	99
<b>Add:</b> capital grants recognised as income in the current period but not yet spent (2019 only)	–	462
<b>Add:</b> capital grants received and transferred to contract liabilities	551	–
<b>Less:</b> capital grants received in a previous reporting period now spent and recognised as income	(561)	–
<b>Unexpended and held as externally restricted assets (capital grants)</b>	<b>551</b>	<b>561</b>

Unexpended Capital Grants Include:

- Stronger Country Communities Fund Round 2 & 3 projects

##### Contributions

Unexpended at the close of the previous reporting period	620	591
<b>Add:</b> contributions recognised as income in the current period but not yet spent	20	29
<b>Less:</b> contributions recognised in a previous reporting period now spent	–	–
<b>Unexpended and held as externally restricted assets (contributions)</b>	<b>640</b>	<b>620</b>

- Unexpended Contributions include the following Developer Contributions:
- Developer Contribution Plan
- Service Plan # 2

	AASB 15 2020 \$ '000	AASB 1058 2020 \$ '000
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##### (g) Disaggregation of material revenue streams

The following shows the revenue recognition pattern for the material revenue streams of Council.

##### Revenue recognition at a point in time

Rates and annual charges	–	8,822
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## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

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

	AASB 15 2020 \$ '000	AASB 1058 2020 \$ '000
Financial assistance grants	–	6,459
User charges and fees	7,735	–
Grant revenue and non-developer contributions	–	10,548
Developer contributions	–	1,103
Other - Facility Revenue	418	–
Other	–	559
	<u>8,153</u>	<u>27,491</u>
<b>Revenue recognised over time</b>		
User charges and fees	<u>63</u>	<u>–</u>
	<u>63</u>	<u>–</u>

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 4. Interest and investment income

	2020 \$ '000	2019 \$ '000
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	105	104
– Cash and investments	<u>481</u>	<u>782</u>
<b>Total Interest and investment income</b>	<u>586</u>	<u>886</u>
<b>Interest revenue is attributable to:</b>		
<b>Unrestricted investments/financial assets:</b>		
Overdue rates and annual charges (general fund)	55	60
General Council cash and investments	<u>320</u>	<u>490</u>
<b>Restricted investments/funds – external:</b>		
Development contributions		
– Section 7.11	14	15
Water fund operations	<u>154</u>	<u>240</u>
Sewerage fund operations	<u>43</u>	<u>81</u>
<b>Total interest and investment revenue</b>	<u>586</u>	<u>886</u>

#### Accounting policy for interest and investment revenue

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



## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 5. Expenses from continuing operations

	2020 \$ '000	2019 \$ '000
<b>(a) Employee benefits and on-costs</b>		
Salaries and wages	7,139	6,934
Employee termination costs (where material – other than vested leave paid)	90	301
Travel expenses	1	3
Employee leave entitlements (ELE)	1,055	1,481
Superannuation – defined contribution plans	694	685
Superannuation – defined benefit plans	126	129
Workers' compensation insurance	247	179
Fringe benefit tax (FBT)	6	13
Training costs	83	53
Uniforms	23	38
Recruitment	40	65
<b>Total employee costs</b>	<b>9,504</b>	<b>9,881</b>
Less: capitalised costs	(714)	(601)
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>	<b>8,790</b>	<b>9,280</b>

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

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

#### Retirement benefit obligations

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

#### Superannuation plans

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

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note 20 for more information.

	2020 \$ '000	2019 \$ '000
<b>(b) Borrowing costs</b>		
<b>(i) Interest bearing liability costs</b>		
Interest on loans	206	216
<b>Total interest bearing liability costs</b>	<b>206</b>	<b>216</b>
<b>Total interest bearing liability costs expensed</b>	<b>206</b>	<b>216</b>
<b>TOTAL BORROWING COSTS EXPENSED</b>	<b>206</b>	<b>216</b>

#### Accounting policy for borrowing costs

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

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 5. Expenses from continuing operations (continued)

	2020 \$ '000	2019 \$ '000
<b>(c) Materials and contracts</b>		
Raw materials and consumables	2,753	1,079
Contractor and consultancy costs	4,955	4,240
Auditors remuneration <sup>1</sup>	83	72
<b>Legal expenses:</b>		
– Legal expenses: planning and development	–	28
– Legal expenses: debt recovery	18	25
– Legal expenses: other	50	20
<b>Total materials and contracts</b>	<b>7,859</b>	<b>5,464</b>
<b>TOTAL MATERIALS AND CONTRACTS</b>	<b>7,859</b>	<b>5,464</b>

#### 1. Auditor remuneration

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

#### Auditors of the Council - NSW Auditor-General:

#### (i) Audit and other assurance services

Audit and review of financial statements	83	72
<b>Remuneration for audit and other assurance services</b>	<b>83</b>	<b>72</b>
<b>Total Auditor-General remuneration</b>	<b>83</b>	<b>72</b>
<b>Total Auditor remuneration</b>	<b>83</b>	<b>72</b>



## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 5. Expenses from continuing operations (continued)

	Notes	2020 \$ '000	2019 \$ '000
<b>(d) Depreciation, amortisation and impairment of non-financial assets</b>			
<b>Depreciation and amortisation</b>			
Plant and equipment		990	998
Office equipment		35	33
Furniture and fittings		8	10
Land improvements (depreciable)		222	211
<b>Infrastructure:</b>	10(a)		
– Buildings		1,332	1,881
– Roads		3,607	3,535
– Other structures		127	193
– Bridges		101	101
– Footpaths		87	84
– Stormwater drainage		622	228
– Water supply network		699	655
– Sewerage network		785	760
– Swimming pools		75	75
– Other open space/recreational assets		63	64
– Other infrastructure		113	47
<b>Other assets:</b>			
– Library books		30	36
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Tip assets	15,10(a)	45	45
<b>Total gross depreciation and amortisation costs</b>		<b>8,941</b>	<b>8,956</b>
Total depreciation and amortisation costs		8,941	8,956
<b>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT FOR NON-FINANCIAL ASSETS</b>		<b>8,941</b>	<b>8,956</b>

#### Accounting policy for depreciation, amortisation and impairment expenses of non-financial assets

##### 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 10 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.

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 5. Expenses from continuing operations (continued)

	2020 \$ '000	2019 \$ '000
<b>(e) Other expenses</b>		
Advertising	70	30
Training costs (other than salaries and wages)	90	62
Travel expenses	27	22
Bad and doubtful debts	67	32
Bank charges	39	32
Cleaning	154	139
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	11	9
– NSW fire brigade levy	25	23
– NSW rural fire service levy	283	225
– Other contributions/levies	–	1
Councillor expenses – mayoral fee	26	26
Councillor expenses – councillors' fees	104	104
Councillors' expenses (incl. mayor) – other (excluding fees above)	76	86
Donations, contributions and assistance to other organisations (Section 356)	238	170
Electricity and heating	595	529
Fire control expenses	47	139
Insurance	478	460
Office expenses (including computer expenses)	553	427
Other – remediation remeasurement – tip	–	463
Other Joint Organisation Costs	5	82
Postage	25	22
Printing and stationery	47	65
Street lighting	112	153
Subscriptions and publications	73	58
Telephone and communications	80	78
Tourism expenses (excluding employee costs)	128	117
Valuation fees	32	34
Other	3	30
<b>Total other expenses</b>	<b>3,388</b>	<b>3,618</b>
<b>TOTAL OTHER EXPENSES</b>	<b>3,388</b>	<b>3,618</b>

#### Accounting policy for other expenses

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



## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 6. Gain or loss from disposal of assets

		2020 \$ '000	2019 \$ '000
	Notes		
<b>Property (excl. investment property)</b>			
Proceeds from disposal – property		–	7
Less: carrying amount of property assets sold/written off		–	(31)
<b>Net gain/(loss) on disposal</b>		–	(24)
<b>Plant and equipment</b>	10(a)		
Proceeds from disposal – plant and equipment		279	433
Less: carrying amount of plant and equipment assets sold/written off		(199)	(194)
<b>Net gain/(loss) on disposal</b>		80	239
<b>Investments</b>	7(b)		
Proceeds from disposal/redemptions/maturities – investments		75,000	63,000
Less: carrying amount of investments sold/redeemed/matured		(75,000)	(63,000)
<b>Net gain/(loss) on disposal</b>		–	–
<b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>		80	215

#### Accounting policy for disposal of assets

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

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

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 7(a). Cash and cash equivalents

	2020 \$ '000	2019 \$ '000
<b>Cash and cash equivalents</b>		
Cash on hand and at bank	2,413	2,327
Cash-equivalent assets		
– Short-term deposits	8,000	4,000
<b>Total cash and cash equivalents</b>	10,413	6,327

#### Accounting policy for cash and cash equivalents

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

#### Note 7(b). Investments

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
<b>Investments</b>				
'Financial assets at amortised cost'	18,005	–	24,000	–
<b>Total Investments</b>	18,005	–	24,000	–
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS</b>	28,418	–	30,327	–
<b>Financial assets at amortised cost</b>				
Long term deposits	18,005	–	24,000	–
<b>Total</b>	18,005	–	24,000	–

#### Accounting policy for investments

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



## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 7(b). 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.

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.

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 7(c). Restricted cash, cash equivalents and investments

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
Total cash, cash equivalents and investments	28,418	–	30,327	–
<b>attributable to:</b>				
External restrictions	13,498	–	14,495	–
Internal restrictions	10,583	–	11,199	–
Unrestricted	4,337	–	4,633	–
	28,418	–	30,327	–

	2020 \$ '000	2019 \$ '000
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#### Details of restrictions

##### External restrictions – included in liabilities

Specific purpose unexpended grants – Contract Liabilities	551	–
Other trust account	–	356
Other cemeteries trust	–	487

<b>External restrictions – included in liabilities</b>	<b>551</b>	<b>843</b>
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##### External restrictions – other

Developer contributions – general	640	620
Specific purpose unexpended grants (recognised as revenue) – general fund	233	1,145
Water supplies	9,154	8,710
Sewerage services	2,631	2,739
Domestic waste management	–	105
Council reserves – caravan park	289	333
<b>External restrictions – other</b>	<b>12,947</b>	<b>13,652</b>

<b>Total external restrictions</b>	<b>13,498</b>	<b>14,495</b>
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##### Internal restrictions

Plant and vehicle replacement	1,500	2,200
Employees leave entitlement	2,448	2,241
Deposits, retentions and bonds	576	–
Capital projects	1,000	1,000
FAG received in advance	3,323	3,213
Future development	1,113	1,113
Loan guarantee	3	11
Other doubtful debts provision	115	49
Tip remediation	–	1,372
Cemeteries Deposits	505	–
<b>Total internal restrictions</b>	<b>10,583</b>	<b>11,199</b>

<b>TOTAL RESTRICTIONS</b>	<b>24,081</b>	<b>25,694</b>
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## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 8. Receivables

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
<b>Purpose</b>				
Rates and annual charges	982	—	859	—
Interest and extra charges	225	—	190	—
User charges and fees	2,717	—	1,744	—
Accrued revenues				
– Interest on investments	62	—	218	—
Government grants and subsidies	1,244	—	284	—
Net GST receivable	431	—	210	—
<b>Total</b>	<b>5,661</b>	<b>—</b>	<b>3,505</b>	<b>—</b>
<b>Less: provision of impairment</b>				
User charges and fees	(115)	—	(49)	—
<b>Total provision for impairment – receivables</b>	<b>(115)</b>	<b>—</b>	<b>(49)</b>	<b>—</b>
<b>TOTAL NET RECEIVABLES</b>	<b>5,546</b>	<b>—</b>	<b>3,456</b>	<b>—</b>
<b>Externally restricted receivables</b>				
<b>Water supply</b>				
– Rates and availability charges	533	—	375	—
– Other	549	—	914	—
<b>Sewerage services</b>				
– Rates and availability charges	287	—	261	—
– Other	99	—	247	—
<b>Total external restrictions</b>	<b>1,468</b>	<b>—</b>	<b>1,797</b>	<b>—</b>
<b>Unrestricted receivables</b>	<b>4,078</b>	<b>—</b>	<b>1,659</b>	<b>—</b>
<b>TOTAL NET RECEIVABLES</b>	<b>5,546</b>	<b>—</b>	<b>3,456</b>	<b>—</b>

	2020 \$ '000	2019 \$ '000
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year	49	61
+ new provisions recognised during the year	66	—
– previous impairment losses reversed	—	(12)
<b>Balance at the end of the year</b>	<b>115</b>	<b>49</b>

#### Accounting policy for receivables

##### Recognition and measurement

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

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

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

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 8. Receivables (continued)

##### Impairment

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

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

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

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

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

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

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

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

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

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

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

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

Rates and annual charges outstanding are secured against the property.

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 9. Inventories and other assets

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
<b>(a) Inventories</b>				
<b>(i) Inventories at cost</b>				
Stores and materials	202	–	207	–
<b>Total inventories at cost</b>	202	–	207	–
<b>TOTAL INVENTORIES</b>	202	–	207	–
<b>(b) Other assets</b>				
Prepayments	213	–	156	–
<b>TOTAL OTHER ASSETS</b>	213	–	156	–

Accounting policy for inventories and other assets

Raw materials and stores, work in progress and finished goods

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 10(a). Infrastructure, property, plant and equipment

	as at 30/06/19			Asset movements during the reporting period							as at 30/06/20			
	Gross carrying amount \$ '000	Accumulated depreciation \$ '000	Net carrying amount \$ '000	Additions renewals <sup>1</sup> \$ '000	Additions new assets \$ '000	Carrying value of disposals \$ '000	Depreciation expense \$ '000	WIP transfers \$ '000	Adjustments and transfers \$ '000	Revaluation decrements to equity (APR) \$ '000	Revaluation increments to equity (APR) \$ '000	Gross carrying amount \$ '000	Accumulated depreciation \$ '000	Net carrying amount \$ '000
Capital work in progress	5,565	–	5,565	7,675	3,412	–	–	–	(3,575)	–	–	13,077	–	13,077
Plant and equipment	15,545	(9,135)	6,410	1,320	–	(199)	(990)	–	–	–	–	16,159	(9,618)	6,541
Office equipment	2,037	(1,728)	309	185	5	–	(35)	–	–	–	–	2,227	(1,763)	464
Furniture and fittings	278	(256)	22	–	2	–	(8)	–	–	–	–	280	(264)	16
Land:														
– Operational land	–	–	–	–	–	–	–	–	2,657	–	1,400	4,057	–	4,057
– Community Land	7,836	–	7,836	–	–	–	–	–	(2,657)	–	2,071	7,250	–	7,250
– Land under roads (post 30/6/08)	254	–	254	–	107	–	–	–	–	–	–	361	–	361
Land improvements – depreciable	7,717	(4,029)	3,688	202	245	–	(222)	71	–	–	–	8,236	(4,252)	3,984
Infrastructure:														
– Buildings	69,870	(36,853)	33,017	230	60	–	(1,332)	1,379	–	–	–	70,632	(37,278)	33,354
– Other structures	10,899	(4,661)	6,238	–	90	–	(127)	994	(3,715)	–	–	5,316	(1,836)	3,480
– Roads	186,210	(97,297)	88,913	4,054	244	–	(3,607)	–	–	–	119	190,555	(100,832)	89,723
– Bridges	11,726	(3,517)	8,209	–	–	–	(101)	–	–	(1,160)	–	12,632	(5,684)	6,948
– Footpaths	4,361	(1,736)	2,625	36	61	–	(87)	65	–	–	272	6,214	(3,242)	2,972
– Bulk earthworks (non-depreciable)	190,611	–	190,611	–	–	–	–	–	–	–	–	190,611	–	190,611
– Stormwater drainage	23,691	(8,960)	14,731	–	384	–	(622)	194	–	–	129	24,483	(9,667)	14,816
– Water supply network	56,098	(25,845)	30,253	–	14	–	(699)	53	–	–	283	56,697	(26,793)	29,904
– Sewerage network	45,178	(26,895)	18,283	–	219	–	(785)	819	–	–	165	46,645	(27,944)	18,701
– Swimming pools	3,000	(1,273)	1,727	19	–	–	(75)	–	–	–	–	3,019	(1,348)	1,671
– Other open space/recreational assets	662	(351)	311	–	–	–	(63)	–	–	–	–	662	(414)	248
– Other infrastructure	1,827	(344)	1,483	–	41	–	(113)	–	3,715	–	5,514	13,386	(2,746)	10,640
Other assets:														
– Library books	331	(218)	113	49	–	–	(30)	–	–	–	–	380	(248)	132
Reinstatement, rehabilitation and restoration assets (refer Note 12):														
– Tip assets	2,227	(50)	2,177	1,112	–	–	(45)	–	–	–	–	3,338	(94)	3,244
Total infrastructure, property, plant and equipment	645,923	(223,148)	422,775	14,882	4,884	(199)	(8,941)	–	–	(1,160)	9,953	676,217	(234,023)	442,194

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



Notes to the Financial Statements

for the year ended 30 June 2020

Note 10(a). Infrastructure, property, plant and equipment (continued)

	as at 30/06/18			Asset movements during the reporting period						as at 30/06/19		
	Gross carrying amount \$ '000	Accumulated depreciation \$ '000	Net carrying amount \$ '000	Additions renewals \$ '000	Additions new assets \$ '000	Carrying value of disposals \$ '000	Depreciation expense \$ '000	WIP transfers \$ '000	Revaluation increments to equity (ARR) \$ '000	Gross carrying amount \$ '000	Accumulated depreciation \$ '000	Net carrying amount \$ '000
Capital work in progress	2,725	–	2,725	4,269	948	–	–	(2,377)	–	5,565	–	5,565
Plant and equipment	14,811	(9,384)	5,427	2,139	36	(194)	(998)	–	–	15,545	(9,135)	6,410
Office equipment	1,924	(1,694)	230	36	76	–	(33)	–	–	2,037	(1,728)	309
Furniture and fittings	278	(246)	32	–	–	–	(10)	–	–	278	(256)	22
Land:												
– Community land	7,842	–	7,842	–	–	(6)	–	–	–	7,836	–	7,836
– Land under roads (post 30/6/08)	247	–	247	–	7	–	–	–	–	254	–	254
Land improvements – depreciable	7,040	(3,818)	3,222	–	662	–	(211)	15	–	7,717	(4,029)	3,688
Infrastructure:												
– Buildings	69,942	(35,265)	34,677	65	174	(26)	(1,881)	8	–	69,870	(36,853)	33,017
– Other structures	10,156	(4,358)	5,798	9	36	–	(193)	52	536	10,899	(4,661)	6,238
– Roads	180,267	(93,762)	86,505	1,176	2,613	–	(3,535)	2,154	–	186,210	(97,297)	88,913
– Bridges	11,726	(3,416)	8,310	–	–	–	(101)	–	–	11,726	(3,517)	8,209
– Footpaths	4,204	(1,652)	2,552	–	157	–	(84)	–	–	4,361	(1,736)	2,625
– Bulk earthworks (non-depreciable)	190,309	–	190,309	–	302	–	–	–	–	190,611	–	190,611
– Stormwater drainage	22,650	(8,601)	14,049	–	687	–	(228)	–	223	23,691	(8,960)	14,731
– Water supply network	54,714	(24,782)	29,932	–	415	–	(655)	85	476	56,098	(25,845)	30,253
– Sewerage network	43,817	(25,712)	18,105	–	610	–	(760)	40	288	45,178	(26,895)	18,283
– Swimming pools	3,000	(1,198)	1,802	–	–	–	(75)	–	–	3,000	(1,273)	1,727
– Other open space/recreational assets	639	(287)	352	–	–	–	(64)	23	–	662	(351)	311
– Other infrastructure	1,827	(297)	1,530	–	–	–	(47)	–	–	1,827	(344)	1,483
Other assets:												
– Library books	289	(182)	107	42	–	–	(36)	–	–	331	(218)	113
Reinstatement, rehabilitation and restoration assets (refer Note 12):												
– Tip assets	2,227	(5)	2,222	–	–	–	(45)	–	–	2,227	(50)	2,177
Total Infrastructure, property, plant and equipment	630,634	(214,659)	415,975	7,736	6,723	(226)	(8,956)	–	1,523	645,923	(223,148)	422,775

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

Wentworth Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 10(a). Infrastructure, property, plant and equipment (continued)

Accounting policy for infrastructure, property, plant and equipment

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

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

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

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

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

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
Water and sewer assets		Stormwater assets	
Dams and reservoirs	80 to 100	Drains	80 to 100
Bores	20 to 40	Culverts	50 to 80
Reticulation pipes: PVC	70 to 80	Flood control structures	80 to 100
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 20		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	20	Swimming pools	50
Sealed roads: structure	50	Unsealed roads	20
Unsealed roads	20	Other open space/recreational assets	20
Bridge: concrete	100	Other infrastructure	20
Bridge: other	50		
Road pavements	60		
Kerb, gutter and footpaths	40		

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

Land under roads

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

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

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

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 10(a). Infrastructure, property, plant and equipment (continued)

##### Crown reserves

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

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

##### Rural Fire Service assets

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

These Rural Fire Service assets are recognised as assets of the Council in these financial statements.

#### Note 10(b). Externally restricted infrastructure, property, plant and equipment

	as at 30/06/20			as at 30/06/19		
	Gross carrying amount \$ '000	Accumulated depn. and impairment \$ '000	Net carrying amount \$ '000	Gross carrying amount \$ '000	Accumulated depn. and impairment \$ '000	Net carrying amount \$ '000
<b>Water supply</b>						
WIP	3,271	–	3,271	835	–	835
Plant and equipment	43	14	29	43	12	31
Infrastructure	56,698	26,793	29,905	56,098	25,845	30,253
<b>Total water supply</b>	<b>60,012</b>	<b>26,807</b>	<b>33,205</b>	<b>56,976</b>	<b>25,857</b>	<b>31,119</b>
<b>Sewerage services</b>						
WIP	3,830	–	3,830	2,182	–	2,182
Land						
– Improvements – depreciable	13	7	6	13	6	7
Infrastructure	46,645	27,943	18,702	45,178	26,895	18,283
<b>Total sewerage services</b>	<b>50,488</b>	<b>27,950</b>	<b>22,538</b>	<b>47,373</b>	<b>26,901</b>	<b>20,472</b>
<b>Domestic waste management</b>						
Land						
<b>TOTAL RESTRICTED IPP&amp;E</b>	<b>110,500</b>	<b>54,757</b>	<b>55,743</b>	<b>104,349</b>	<b>52,758</b>	<b>51,591</b>

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 11. Intangible assets

Intangible assets are as follows:

	2020 \$ '000	2019 \$ '000
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##### Goodwill

##### Opening values at 1 July

Gross book value	184	184
<b>Net book value – opening balance</b>	<b>184</b>	<b>184</b>

##### Closing values at 30 June

Gross book value	184	184
<b>Total Goodwill – net book value</b>	<b>184</b>	<b>184</b>

<b>TOTAL INTANGIBLE ASSETS – NET BOOK VALUE</b>	<b>184</b>	<b>184</b>
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##### Accounting policy for intangible assets

##### Intangible Assets

An intangible asset is an identifiable, non-monetary asset without physical substance. The identifiable criterion is met when the intangible asset is separable (ie it can be sold, transferred or licenced), or where it arises from contractual or other legal rights.

##### Acquired intangible assets

Intangible assets are measured initially at cost. Cost includes (a) the fair value of the consideration given to acquiring the asset; and (b) any costs directly attributable to the transaction, such as relevant professional fees or taxes.

##### Subsequent measurement

Intangible assets with definite useful lives are considered for impairment where there is an indication that the asset has been impaired. Intangible assets with indefinite useful lives should be tested annually for impairment, as well as whenever there is an indication of impairment.



## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 12. Contract assets and liabilities

		2020 Current \$ '000	2020 Non-current \$ '000
	Notes		
<b>Contract liabilities</b>			
<b>Grants and contributions received in advance:</b>			
Unexpended capital grants (to construct Council controlled assets)	(i)	551	—
<b>Total grants received in advance</b>		<b>551</b>	<b>—</b>
<b>User fees and charges received in advance:</b>			
Other - Cemeteries Deposits		505	—
<b>Total user fees and charges received in advance</b>		<b>505</b>	<b>—</b>
<b>Total contract liabilities</b>		<b>1,056</b>	<b>—</b>

#### Notes

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

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

(iii) Council has received funds for Cemeteries Reservations prior to the satisfaction of the performance obligations.

		2020 Current \$ '000	2020 Non-current \$ '000
<b>(i) Contract liabilities relating to restricted assets</b>			
Unspent grants held as contract liabilities (excl. Water & Sewer)		551	—
<b>Contract liabilities relating to externally restricted assets</b>		<b>551</b>	<b>—</b>
Cemeteries Deposits		505	—
<b>Contract liabilities relating to internally restricted assets</b>		<b>505</b>	<b>—</b>
<b>Total contract liabilities relating to restricted assets</b>		<b>1,056</b>	<b>—</b>
<b>Total contract liabilities relating to unrestricted assets</b>		<b>—</b>	<b>—</b>
<b>Total contract liabilities</b>		<b>1,056</b>	<b>—</b>

#### Significant changes in contract assets and liabilities

The contract liabilities have arisen on adoption of AASB 15 and AASB 1058. Previously income received in advance was recognised for reciprocal contracts. The increase in a contract liability is primarily due to grants in the scope of AASB 15 and capital grants received by Council to acquire or construct assets which will be under Council's control. Previously, revenue was recognised on receipt of the funds.

#### Accounting policy for contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 12. Contract assets and liabilities (continued)

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before the payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable.

When an amount of 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.

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 13. Leases

The Council has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

##### (i) Council as a lessee

Council currently has no leases in place.

#### Operating leases

Council leases out a number of properties and /or plant and equipment to community groups; these leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E 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:

	2020 \$ '000
<b>(i) Operating lease income</b>	
Lease income (excluding variable lease payments not dependent on an index or rate)	51
<b>Other lease income</b>	
<b>Total income relating to operating leases</b>	51

##### (iv) Maturity analysis of contractual lease income

Maturity analysis of future lease income receivable showing the undiscounted lease payments to be received after reporting date for operating leases:

< 1 year	96
1–2 years	98
2–3 years	100
3–4 years	102
4–5 years	104
> 5 years	562
<b>Total undiscounted contractual lease income receivable</b>	1,062

#### 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 then 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.

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 14. Payables and borrowings

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
<b>Payables</b>				
Accrued expenses:				
– Borrowings	10	–	10	–
– Salaries and wages	320	–	354	–
– Other expenditure accruals	2,672	–	817	–
Trust account – money held in trust	576	–	356	–
<b>Total payables</b>	3,578	–	1,537	–
<b>Income received in advance (2019 only)</b>				
Payments received in advance	–	–	487	–
<b>Total income received in advance</b>	–	–	487	–
<b>Borrowings</b>				
Loans – secured <sup>1</sup>	262	4,032	247	4,292
<b>Total borrowings</b>	262	4,032	247	4,292
<b>TOTAL PAYABLES AND BORROWINGS</b>	3,840	4,032	2,271	4,292

<sup>(1)</sup> Loans are secured over the general rating income of Council.

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

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
<b>(a) Payables and borrowings relating to restricted assets</b>				
<b>Externally restricted assets</b>				
Water	23	–	–	–
Sewer	43	–	–	–
Other	–	–	843	–
<b>Total payables and borrowings relating to restricted assets</b>	66	–	843	–
<b>Total payables and borrowings relating to unrestricted assets</b>	3,774	4,032	1,428	4,292
<b>TOTAL PAYABLES AND BORROWINGS</b>	3,840	4,032	2,271	4,292



## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 14. Payables and borrowings (continued)

##### (b) Changes in liabilities arising from financing activities

	as at 30/06/19		Non-cash changes				as at 30/06/20
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000	Other non-cash movement \$ '000	Closing balance \$ '000
Loans – secured	4,539	(245)	–	–	–	–	4,294
<b>TOTAL</b>	<b>4,539</b>	<b>(245)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4,294</b>

	as at 30/06/18		Non-cash changes				as at 30/06/19
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Other non-cash movement \$ '000		Closing balance \$ '000
Loans – secured	4,779	(240)	–	–	–		4,539
<b>TOTAL</b>	<b>4,779</b>	<b>(240)</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>4,539</b>

	2020 \$ '000	2019 \$ '000
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##### (c) Financing arrangements

###### (i) Unrestricted access was available at balance date to the following lines of credit:

Credit cards/purchase cards	40	40
<b>Total financing arrangements</b>	<b>40</b>	<b>40</b>

###### Undrawn facilities as at balance date:

– Credit cards/purchase cards	40	40
<b>Total undrawn financing arrangements</b>	<b>40</b>	<b>40</b>

##### Additional financing arrangements information

###### Breaches and defaults

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

###### Security over loans

Loans are secured over future cash flows.

###### Bank overdrafts

The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

##### Accounting policy for payables and borrowings

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

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

###### Payables

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

###### Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 14. Payables and borrowings (continued)

the Income Statement over the period of the borrowings using the effective-interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 15. Provisions

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
<b>Provisions</b>				
<b>Employee benefits</b>				
Annual leave	922	–	841	–
Long service leave	1,125	230	1,107	108
Gratuities	165	6	162	24
<b>Sub-total – aggregate employee benefits</b>	<b>2,212</b>	<b>236</b>	<b>2,110</b>	<b>132</b>
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	–	2,484	–	1,372
<b>Sub-total – asset remediation/restoration</b>	<b>–</b>	<b>2,484</b>	<b>–</b>	<b>1,372</b>
<b>TOTAL PROVISIONS</b>	<b>2,212</b>	<b>2,720</b>	<b>2,110</b>	<b>1,504</b>

	2020 \$ '000	2019 \$ '000
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#### (a) Current provisions not anticipated to be settled within the next twelve months

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

Provisions – employees benefits	1,106	1,055
	<b>1,106</b>	<b>1,055</b>

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

	ELE provisions			
	Annual leave \$ '000	Long service leave \$ '000	Gratuities \$ '000	Total \$ '000
<b>2020</b>				
At beginning of year	841	1,215	186	2,242
Additional provisions	552	223	(3)	772
Amounts used (payments)	(471)	(83)	(12)	(566)
Total ELE provisions at end of year	922	1,355	171	2,448
<b>2019</b>				
At beginning of year	972	1,223	182	2,377
Additional provisions	529	286	18	833
Amounts used (payments)	(660)	(294)	(14)	(968)
Total ELE provisions at end of year	841	1,215	186	2,242

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 15. Provisions (continued)

	Other provisions	
	Asset remediation \$ '000	Total \$ '000
<b>2020</b>		
At beginning of year	1,372	1,372
Remeasurement effects	1,112	1,112
Total other provisions at end of year	2,484	2,484
<b>2019</b>		
At beginning of year	909	909
Additional provisions	463	463
Total other provisions at end of year	1,372	1,372

#### Nature and purpose of non-employee benefit provisions

##### Asset remediation

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

##### Accounting policy for provisions

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### Employee benefits

##### Short-term obligations

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

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

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

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

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

##### Restoration

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period



## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 15. Provisions (continued)

when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

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

#### Rehabilitation

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

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

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

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

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 16. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

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

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

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

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

During the year ended 30 June 2020, the Council has adopted AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-profit Entities* and AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method and therefore the comparative information for the year ended 30 June 2019 has not been restated and continues to comply with AASB 111 *Construction Contracts*, AASB 117 *Leases*, AASB 118 *Revenue*, AASB 1004 *Contributions* and associated Accounting Interpretations.

All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The impacts of adopting these standards and associated transition disclosures are provided below:

#### Adjustments to the current year figures for the year ended 30 June 2020

##### Statement of Financial Position

#### (ii) AASB 15 and AASB 1058

The following approach has been applied on transition to AASB 15 and AASB 1058:

- Council has not adopted the completed contract expedient and therefore has not excluded revenue which was fully recognised in previous years in accordance with the former accounting standards and pronouncements
- Council has retrospectively restated contracts for modifications that occurred before 1 July 2019 unless such contract modification were minor.

##### Costs incurred in fulfilling customer contracts

Prior to adopting AASB 15 Council would recognise direct costs associated with fulfilling customer contracts as expenses when incurred, as they did not qualify for recognition as assets under any other accounting standards. Under AASB 15, as these costs relate directly to the contracts, generate resources used in satisfying the contracts, and are expected to be recovered, they are capitalised as 'costs to fulfil a contract' assets and released through profit and loss on the same basis as the revenue is recognised.

##### Revenue recognition from contract modifications

In relation to contract modifications, AASB 15 requires customer approval, which is a more prudent criteria than the probability requirement in the previous standards and will result in deferral of revenue where unapproved works have been performed.

##### Transfer of control to a customer – over time or at a point in time

AASB 15 has specific criteria regarding whether control is transferred over time or at a point in time. The entity has reviewed its contracts and concluded that the criteria for recognition over time is not met in some circumstances. In such cases, revenue and related production costs will be recognised at the delivery of each separate performance obligation instead of over the contract using a single margin.

##### Licences

Council has reviewed the licences it grants and considers that all licences are either short-term or low value and elects to recognise all revenue from licences up-front rather than spreading them over the life of the licence.

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 16. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

##### Grants – operating

Under AASB 1004, most grant income was recognised as revenue on receipt. Under AASB 15, where an agreement is enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed, or recognised at the point in time that the control of the services passes to the customer.

##### Grants – capital

Under AASB 1004, most grant monies were recorded as revenue on receipt. Under AASB 1058, where Council has received assets (including cash) to acquire or construct a non-financial asset, the asset is to be controlled by Council and the contract is enforceable, then the asset is recognised as a contract liability on receipt and recorded as revenue as the performance obligation to acquire or construct the asset is completed.

##### Changes in presentation

In addition to the above changes in accounting policies, the Council has also amended the presentation of certain items to align them with the requirements of AASB 15 and AASB 1058:

- Movement of balances between accumulated surplus and contract liabilities
- Additional line item - contract liabilities have been created
- Movement of balances between payments and contract liabilities

	Balance at 1 July 2019
<b>\$ '000</b>	
<b>Opening contract balances at 1 July 2019</b>	
<b>Contract liabilities</b>	
– Under AASB 1058	561
<b>Total Contract liabilities</b>	561

#### Comparison of financial statement line items under AASB 15 compared to previous standards for the current year

The following tables show the impact of adopting AASB 15 and AASB 1058 on the Council's financial statements for the year ended 30 June 2020.

##### Statement of Financial Position

	Carrying amount per Statement of Financial Position under AASB 15 and AASB 1058	Reclassific- ation	Remeasur- ement	Carrying amount under previous revenue standards	Notes
<b>\$ '000</b>					
<b>Current assets</b>					
Cash and cash equivalents	10,413	–	–	10,413	
Investments	18,005	–	–	18,005	
Receivables	5,546	–	–	5,546	
Inventories	202	–	–	202	
Other	213	–	–	213	
<b>Total current assets</b>	<b>34,379</b>	<b>–</b>	<b>–</b>	<b>34,379</b>	
<b>Current liabilities</b>					
Payables	3,578	–	–	3,578	
Income received in advance	–	505	–	505	
Contract liabilities	1,056	(505)	(551)	–	

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 16. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

	Carrying amount per Statement of Financial Position under AASB 15 and AASB 1058	Reclassific- ation	Remeasur- ement	Carrying amount under previous revenue standards	Notes
<b>\$ '000</b>					
Borrowings	262	–	–	262	
Provisions	2,212	–	–	2,212	
<b>Total current liabilities</b>	<b>7,108</b>	<b>–</b>	<b>(551)</b>	<b>6,557</b>	
<b>Non-current assets</b>					
Infrastructure, property, plant and equipment	442,194	–	–	442,194	
Intangible assets	184	–	–	184	
Investments accounted for using equity method	1,359	–	–	1,359	
<b>Total non-current assets</b>	<b>443,737</b>	<b>–</b>	<b>–</b>	<b>443,737</b>	
<b>Non-current liabilities</b>					
Borrowings	4,032	–	–	4,032	
Provisions	2,720	–	–	2,720	
<b>Total Non-current liabilities</b>	<b>6,752</b>	<b>–</b>	<b>–</b>	<b>6,752</b>	
<b>Net assets</b>	<b>464,256</b>	<b>–</b>	<b>551</b>	<b>464,807</b>	
<b>Equity</b>					
Accumulated surplus	70,072	–	(551)	69,521	
Revaluation reserves	394,184	–	–	394,184	
<b>Council equity interest</b>	<b>464,256</b>	<b>–</b>	<b>(551)</b>	<b>463,705</b>	
<b>Total equity</b>	<b>464,256</b>	<b>–</b>	<b>(551)</b>	<b>463,705</b>	

Transfer of a Contract Liability to income received in advance and elimination of contract liability which arises under AASB 15 for funds to construct an asset to be controlled by Council and other funds under AASB 15 which have been received prior to the satisfaction of performance obligations.

##### Income Statement

	Income Statement and comprehen- sive income under AASB 15 and AASB 1058	Reclassific- ation	Remeasur- ement	Income Statement and comprehen- sive income under previous revenue standards	Notes
<b>\$ '000</b>					
<u>Income from continuing operations</u>					
Rates and annual charges	8,822	–	–	8,822	
User charges and fees	7,798	–	–	7,798	
Other revenues	977	–	–	977	
Grants and contributions provided for operating purposes	10,307	–	–	10,307	
Grants and contributions provided for capital purposes	8,300	–	(10)	8,290	



## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 16. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

\$ '000	Income Statement and comprehensive income under AASB 15 and AASB 1058	Reclassification	Remeasurement	Income Statement and comprehensive income under previous revenue standards	Notes
Interest and investment income	586	–	–	586	
Net gains from the disposal of assets	80	–	–	80	
Rental income	51	–	–	51	
<b>Total Income from continuing operations</b>	<b>36,921</b>	<b>–</b>	<b>(10)</b>	<b>36,911</b>	
<u>Expenses from continuing operations</u>					
Employee benefits and on-costs	8,790	–	–	8,790	
Borrowing costs	206	–	–	206	
Materials and contracts	7,859	–	–	7,859	
Depreciation and amortisation	8,941	–	–	8,941	
Other expenses	3,388	–	–	3,388	
Net share of interests in joint ventures and associates using the equity method	102	–	–	102	
<b>Total Expenses from continuing operations</b>	<b>29,286</b>	<b>–</b>	<b>–</b>	<b>29,286</b>	
<b>Total Operating result from continuing operations</b>	<b>7,635</b>	<b>–</b>	<b>(10)</b>	<b>7,625</b>	
Net operating result for the year	7,635	–	(10)	7,625	
<b>Total comprehensive income</b>	<b>16,428</b>	<b>–</b>	<b>(10)</b>	<b>16,418</b>	

Elimination of Contract Liability which has arisen under AASB 15 for funds received to construct an asset to be controlled by Council.

#### Adjustments to the current year figures for the year ended 30 June 2020

##### Statement of Financial Position

\$ '000	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
<b>Total assets</b>	<b>458,566</b>	<b>–</b>	<b>458,566</b>
Contract liabilities	10,177	561	10,738
<b>Total liabilities</b>	<b>10,177</b>	<b>561</b>	<b>10,738</b>
<b>Total equity</b>	<b>448,389</b>	<b>(561)</b>	<b>447,828</b>

#### (iii) AASB 16 Leases

##### Council as a lessee

Under AASB 117, Council assessed whether leases were operating or finance leases, based on its assessment of whether the significant risks and rewards of ownership had been transferred to Council or remained with the lessor. Under AASB 16, there

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 16. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low-value assets).

Council has used the exception to lease accounting for short-term leases and leases of low-value assets, and the lease expense relating to these leases is recognised in the Income Statement on a straight-line basis.

Practical expedients used on transition

AASB 16 includes a number of practical expedients which can be used on transition. Council has used the following expedients:

- Contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16.
- Lease liabilities have been discounted using the Council's incremental borrowing rate at 1 July 2019.
- Right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjustment by the any prepaid or accrued lease payments.
- A single discount rate was applied to all leases with similar characteristics.
- The right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset.
- Excluded leases with an expiry date prior to 30 June 2020 from the Statement of Financial Position, and lease expenses for these leases have been recorded on a straight-line basis over the remaining term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

##### Financial statement impact of adoption of AASB 16

Council has no leases in place for the use of assets therefore has recognised right-of-use assets and lease liabilities of \$0 at 1 July 2019.

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 17. Statement of cash flow information

	Notes	2020 \$ '000	2019 \$ '000
<b>(a) Reconciliation of cash and cash equivalents</b>			
Total cash and cash equivalents per Statement of Financial Position	7(a)	10,413	6,327
<b>Balance as per the Statement of Cash Flows</b>		<b>10,413</b>	<b>6,327</b>

#### (b) Reconciliation of net operating result to cash provided from operating activities

<b>Net operating result from Income Statement</b>		7,635	6,460
<b>Adjust for non-cash items:</b>			
Depreciation and amortisation		8,941	8,956
Net losses/(gains) on disposal of assets		(80)	(215)
Non-cash capital grants and contributions		(1,691)	(3,170)
Adoption of AASB 15/1058		(561)	–
Share of net (profits)/losses of associates/joint ventures using the equity method		102	(1,461)
<b>+/- Movement in operating assets and liabilities and other cash items:</b>			
Decrease/(increase) in receivables		(2,156)	2,222
Increase/(decrease) in provision for impairment of receivables		66	(12)
Decrease/(increase) in inventories		5	(23)
Decrease/(increase) in other current assets		(57)	(15)
Increase/(decrease) in other accrued expenses payable		569	(59)
Increase/(decrease) in other liabilities		(267)	123
Increase/(decrease) in contract liabilities		1,056	–
Increase/(decrease) in provision for employee benefits		206	(135)
Increase/(decrease) in other provisions		–	463
<b>Net cash provided from/(used in) operating activities from the Statement of Cash Flows</b>		<b>13,768</b>	<b>13,134</b>

#### (c) Non-cash investing and financing activities

Developer contributions 'in kind'	1,691	3,170
<b>Total non-cash investing and financing activities</b>	<b>1,691</b>	<b>3,170</b>

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 18. Interests in other entities

	Council's share of net income		Council's share of net assets	
	2020 \$ '000	2019 \$ '000	2020 \$ '000	2019 \$ '000
Joint ventures	(102)	1,461	1,359	1,461
<b>Total</b>	<b>(102)</b>	<b>1,461</b>	<b>1,359</b>	<b>1,461</b>

#### Joint arrangements

##### (i) Joint ventures

The following information is provided for joint arrangements that are individually material to the Council. Included are the total amounts as per the joint arrangements financial statements, adjusted for fair-value adjustments at acquisition date and differences in accounting policies, rather than the Council's share.

Council is a member of the Far West Joint Organisation of Councils (FWJO). Details of Council's membership and participation is as follows:

The FWJO is a separately constituted entity pursuant to Part 7 (Sections 400O to 400ZH) of the Local Government Act (NSW) 1993, as amended and the Local Government (General) Regulation 2008.

The FWJO has the same year end date as the Council.

The principal functions of the Far West Joint Organisation will be to:

1. Establish strategic regional priorities for the joint organisation area and develop strategies and plans for delivering these priorities;
2. Provide regional leadership for the joint organisation area and to be an advocate for strategic regional priorities;
3. Identify and take up opportunities for intergovernmental cooperation on matters relating to the joint organisation area;
4. Enhancing strategic capacity to support member councils to deliver services to their communities; and
5. Service delivery to provide services directly to communities in the region.

The percentage ownership interest is equivalent to the percentage voting rights for all associates as follows:

FWJO comprises the Councils of the Shires of Balranald, Broken Hill, Central Darling and Wentworth. The Board of the FWJO comprises 4 voting members being the Mayors of the four member Councils, and non-voting members being the General Managers of the four member Councils, as well as three appointed members from the State Government and Cabinet (non-voting).

Wentworth Shire Council as a member of the FWJO, has a one quarter voting right (25%) in respect to the decisions of the Board.

For the 2019/2020 year, no member Councils were required to make contributions to the FWJO.

Members of the FWJO are indemnified from liability for functions and duties carried out or omitted honestly, in good faith and with due care and diligence.

The FWJO has engaged an Executive Officer on a standard Local Government contract for 3 years. The contract in this financial year (2019/2020) is \$170,000.

There are no liability issues identified for Council in the short to medium term.

<b>Far West Joint Organisation 2020</b>	
<b>Equity Method</b>	<b>\$'000</b>
<b>Summarised Statement of Financial Position</b>	
<b>Current assets</b>	5,421
<b>Non-current assets</b>	36
<b>Current liabilities</b>	(19)



Notes to the Financial Statements  
for the year ended 30 June 2020

Note 18. Interests in other entities (continued)

Non-current liabilities	-
Net assets	5,438
Summarised Statement of Income and other Comprehensive Income	
Grant funding	6,150
Interest income	33
Total Income from Continuing Operations	6,183
Employee benefits	(304)
Borrowing costs	-
Depreciation and amortisation	(11)
Adminstration expense	(430)
Total Expense from Continuing Operations	(745)
Profit/(loss) from continuing operations	5,438
Other Comprehensive Income	-
Total Comprehensive Income	5,438
Summarised Statement of Cash Flows	
Cash flows from operating activities	5,418
Cash flows from investing activities	(46)
Cash flows from financing activities	-
Net Increase/(Decrease) in cash and cash equivalents	5,371
Reconciliation of carrying amount of interest in the joint arrangement to summarised financial information for FWJO accounted for using the Equity method:	
Wentworth Shire Council's share of 25% of Net Assets	1,359
Carrying amount	1,359

Joint arrangement

Principal activity		Place of business	Interest in ownership		Interest in voting	
			2020 %	2019 %	2020 %	2019 %
Council is involved in the following joint arrangement						
Name of joint arrangement:						
Far West Joint Organisation	Local Government Joint Arrangement	6 Midway Drive Buronga NSW 2739	25%	25%	25%	25%

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 18. Interests in other entities (continued)

Accounting policy for joint arrangements

The council has determined that it has a joint arrangement with Balranald Council, Broken Hill Council and Central Darling Council in the Far West Joint Organisation.

Interest in joint arrangements are accounted for using the equity method in accordance with AASB 128 Investments in Associates and Joint Ventures.

Under this method, the investment is initially recognised as at cost and the carrying amount is increased or decreased to recognise the Council's share of the profit or loss and other comprehensive income of the investee after the date of acquisition. If the Council's share of losses of a joint arrangement equals or exceeds its interest in the joint arrangement, the Council discontinues recognising its share of further losses.

The Council's share in the joint arrangements gains or losses arising from transactions between itself and its joint arrangement are eliminated.

Adjustments are made to the joint arrangements accounting policies where they are different from those of the Council for the purpose of the consolidated financial statements.

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 19. Commitments

	2020 \$ '000	2019 \$ '000
<b>Capital commitments (exclusive of GST)</b>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Property, plant and equipment</b>		
Buildings	678	753
Plant and equipment	648	105
Other	4,893	2,527
<b>Total commitments</b>	<b>6,219</b>	<b>3,385</b>
<b>These expenditures are payable as follows:</b>		
Within the next year	6,219	3,385
<b>Total payable</b>	<b>6,219</b>	<b>3,385</b>
<b>Sources for funding of capital commitments:</b>		
Unrestricted general funds	6,219	3,385
<b>Total sources of funding</b>	<b>6,219</b>	<b>3,385</b>

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 20. 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.	
<b>LIABILITIES NOT RECOGNISED</b>	
<b>1. Guarantees</b>	
<b>(i) Defined benefit superannuation contribution plans</b>	
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).	
<i>Description of the funding arrangements.</i>	
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 standard employer contribution rates are:	
Division B	1.90 times employee contributions for non - 180 Point Members; Nil for 180 Point Members*
Division C	2.50% salaries
Division D	1.64 times employee contributions
*For 180 Point Members, Employers are required to contribute 7% of salaries to those 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.	
<i>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</i>	
As stated above, each sponsoring employer (Council) is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.	
However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the Council.	
There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on wind-up.	



Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2020 was \$109,345.11. The last valuation of the Scheme was performed by Mr Richard Boyfield, FIAA on 31 December 2019, and covers the period ended 30 June 2019.

The amount of additional contributions included in the total employer contribution advised above is \$40 million. Council's expected contribution to the plan for the next annual reporting period is \$74,200.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2020 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	1,695.2	
Past Service Liabilities	1,773.2	95.6%
Vested Benefits	1,757.5	96.5%

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

The share of this deficit that is broadly attributed to Council is estimated to be in the order of 0.19%

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 *	3.50% per annum
Increase in CPI	2.50% per annum

\* Plus promotional increases

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Contingencies (continued)

(iv) Other guarantees

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

2. Other liabilities

(i) Third party claims

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

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

(ii) Potential land acquisitions due to planning restrictions imposed by Council

Council has classified a number of privately owned land parcels as local open space or bushland.

As a result, where notified in writing by the various owners, Council will be required to purchase these land parcels.

At reporting date, reliable estimates as to the value of any potential liability (and subsequent land asset) from such potential acquisitions has not been possible.

ASSETS NOT RECOGNISED

(i) Land under roads

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

(ii) Infringement notices/fines

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

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

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

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

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 21. Financial risk management

Risk management

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

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

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

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

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

	Carrying value 2020 \$ '000	Carrying value 2019 \$ '000	Fair value 2020 \$ '000	Fair value 2019 \$ '000
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Cash and cash equivalents	10,413	6,327	10,413	6,327
Receivables	5,546	3,456	5,546	3,456
Investments				
– 'Financial assets at amortised cost'	18,005	24,000	18,005	24,000
<b>Total financial assets</b>	<b>33,964</b>	<b>33,783</b>	<b>33,964</b>	<b>33,783</b>
<b>Financial liabilities</b>				
Payables	3,578	1,537	3,578	1,537
Loans/advances	4,294	4,539	4,294	4,539
<b>Total financial liabilities</b>	<b>7,872</b>	<b>6,076</b>	<b>7,872</b>	<b>6,076</b>

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

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

Council has an investment policy which complies with the Local Government Act 1993 and Minister's investment order 625. This policy is regularly reviewed by Council and it's staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments held are:

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

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

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 21. Financial risk management (continued)

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

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

	Increase of values/rates		Decrease of values/rates	
	Profit \$ '000	Equity \$ '000	Profit \$ '000	Equity \$ '000
<b>2020</b>				
Possible impact of a 1% movement in interest rates	284	284	(284)	(284)
<b>2019</b>				
Possible impact of a 1% movement in interest rates	303	303	(303)	(303)



## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 21. Financial risk management (continued)

## (b) Credit risk

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

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

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

There are no significant concentrations of credit risk, other than Council has significant credit risk exposures in its local area given the nature of the business.

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

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable in the financial statements.

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

	Not yet overdue \$ '000	< 1 year overdue \$ '000	1 - 2 years overdue \$ '000	2 - 5 years overdue \$ '000	> 5 years overdue \$ '000	Total \$ '000
<b>2020</b>						
Gross carrying amount	–	436	253	245	48	982
<b>2019</b>						
Gross carrying amount	–	472	275	86	26	859

## Receivables - non-rates and annual charges

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

The loss allowance provision as at 30 June 2020 is determined as follows. The expected credit losses incorporate forward-looking information.

	Not yet overdue \$ '000	0 - 30 days overdue \$ '000	31 - 60 days overdue \$ '000	61 - 90 days overdue \$ '000	> 91 days overdue \$ '000	Total \$ '000
<b>2020</b>						
Gross carrying amount	3,557	400	187	–	535	4,679
Expected loss rate (%)	0.75%	1.00%	0.50%	0.00%	15.50%	2.45%
<b>ECL provision</b>	27	4	1	–	83	115
<b>2019</b>						
Gross carrying amount	1,367	1,023	81	98	77	2,646
Expected loss rate (%)	0.65%	0.50%	5.00%	0.00%	40.00%	1.85%
<b>ECL provision</b>	9	5	4	–	31	49

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 21. Financial risk management (continued)

## (c) Liquidity risk

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

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

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

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

The amounts disclosed in the table are the undiscounted contracted cash flows for non-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.

	Weighted average interest rate %	Subject to no maturity \$ '000	payable in: ≤ 1 Year \$ '000	1 - 5 Years \$ '000	> 5 Years \$ '000	Total cash outflows \$ '000	Actual carrying values \$ '000
<b>2020</b>							
Trade/other payables	0.00%	576	3,002	–	–	3,578	3,578
Loans and advances	4.21%	–	392	1,568	4,117	6,077	4,294
<b>Total financial liabilities</b>		<b>576</b>	<b>3,394</b>	<b>1,568</b>	<b>4,117</b>	<b>9,655</b>	<b>7,872</b>
<b>2019</b>							
Trade/other payables	0.00%	356	1,181	–	–	1,537	1,537
Loans and advances	4.21%	–	392	1,960	4,117	6,469	4,539
<b>Total financial liabilities</b>		<b>356</b>	<b>1,573</b>	<b>1,960</b>	<b>4,117</b>	<b>8,006</b>	<b>6,076</b>

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 22. Material budget variations

Council's original financial budget for 19/20 was adopted by the Council on 26/06/2019 and is unaudited.

While the Income Statement included in this General Purpose Financial Statements must disclose the original budget adopted by Council, the Local Government Act 1993 requires Council to review its financial budget on a quarterly basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This note sets out the details of **material variations** between Council's original budget and its actual results for the year as per the Income Statement – even though such variations may have been adjusted for during each quarterly budget review.

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

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

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----		
<b>REVENUES</b>					
<b>Rates and annual charges</b>	<b>8,664</b>	<b>8,822</b>	<b>158</b>	<b>2%</b>	<b>F</b>
<b>User charges and fees</b>	<b>4,910</b>	<b>7,798</b>	<b>2,888</b>	<b>59%</b>	<b>F</b>
The increase in User Fees and Charges is due to larger than expected revenue at the Buronga Landfill and fee for service work with Transport for NSW for the State Highways.					
<b>Other revenues</b>	<b>1,258</b>	<b>977</b>	<b>(281)</b>	<b>(22)%</b>	<b>U</b>
Other revenue is under budget due to a number of ad-hoc reimbursements that did not occur during the year.					
<b>Operating grants and contributions</b>	<b>9,024</b>	<b>10,307</b>	<b>1,283</b>	<b>14%</b>	<b>F</b>
Operating grants was over budget due to a larger than expected increase in the Roads to Recovery funding for the financial year.					
<b>Capital grants and contributions</b>	<b>7,398</b>	<b>8,300</b>	<b>902</b>	<b>12%</b>	<b>F</b>
Council received \$1,691,000 in non cash capital contributions for works done on subdivisions and other assets owned or controlled by Council. This revenue is not budgeted for as it is variable in nature.					
<b>Interest and investment revenue</b>	<b>735</b>	<b>586</b>	<b>(149)</b>	<b>(20)%</b>	<b>U</b>
Interest and Investment revenue was under budget due to the decrease in the official cash rate from 1.50% to 0.25%.					
<b>Net gains from disposal of assets</b>	<b>100</b>	<b>80</b>	<b>(20)</b>	<b>(20)%</b>	<b>U</b>
Net gains is under budge due to a number of plant items unable to be disposed off due to delays in the replacement plant items due to COVID-19.					
<b>Rental income</b>	<b>–</b>	<b>51</b>	<b>51</b>	<b>∞</b>	<b>F</b>
This income was budgeted for under User charges and fees					

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 22. Material budget variations

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----		
<b>EXPENSES</b>					
<b>Employee benefits and on-costs</b>	<b>8,853</b>	<b>8,790</b>	<b>63</b>	<b>1%</b>	<b>F</b>
<b>Borrowing costs</b>	<b>245</b>	<b>206</b>	<b>39</b>	<b>16%</b>	<b>F</b>
Borrowing costs are under budget due to a number of loans not being taken out that had been budget for.					
<b>Materials and contracts</b>	<b>4,473</b>	<b>7,859</b>	<b>(3,386)</b>	<b>(76)%</b>	<b>U</b>
Materials and Contrat are over budget due larger than expected expenses related to the additional fees and charges for fee for service work for Transport for NSW on the State Highways, and an increase in machinery hire expenses at the Buronga Landfill.					
<b>Depreciation and amortisation</b>	<b>7,064</b>	<b>8,941</b>	<b>(1,877)</b>	<b>(27)%</b>	<b>U</b>
Depreciation was over budget due to ongoing revaluation increases.					
<b>Other expenses</b>	<b>3,251</b>	<b>3,388</b>	<b>(137)</b>	<b>(4)%</b>	<b>U</b>
<b>Joint ventures and associates – net losses</b>	<b>–</b>	<b>102</b>	<b>(102)</b>	<b>∞</b>	<b>U</b>
This expense represents Council share of the decrease in equity of the Joint Organisation for the year. This is a requirement of accounting standard AASB 11 Jount Arrangements and will always be a post 30 June adjustment.					

STATEMENT OF CASH FLOWS

<b>Cash flows from operating activities</b>	<b>16,341</b>	<b>13,768</b>	<b>(2,573)</b>	<b>(16)%</b>	<b>U</b>
Increase in cash outflows from Material and Contracts was large than the increase on cash inflows for User Fees and Charges. This is due to timing differences between when payments for expenses and made and the receipt of corresponding cash.					
<b>Cash flows from investing activities</b>	<b>(18,912)</b>	<b>(9,437)</b>	<b>9,475</b>	<b>(50)%</b>	<b>F</b>
This was due to less outflows as a result of an underspend on capital works.					
<b>Cash flows from financing activities</b>	<b>2,752</b>	<b>(245)</b>	<b>(2,997)</b>	<b>(109)%</b>	<b>U</b>
This was because there were a number of loans that were budgeted for but not taken out during the year.					



Notes to the Financial Statements  
for the year ended 30 June 2020

Note 23. Fair Value Measurement

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

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

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

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

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

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

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

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

2020	Fair value measurement hierarchy				Total
	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobserv-able inputs	
Recurring fair value measurements					
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/19	–	–	6,541	6,541
Office equipment	30/06/19	–	–	464	464
Furniture and fittings	30/06/19	–	–	16	16
Swimming Pools	30/06/18	–	–	1,671	1,671
Operational land	30/06/20	–	–	4,057	4,057
Community Land	30/06/20	–	–	7,250	7,250
Land improvements – depreciable	30/06/18	–	–	3,984	3,984
Buildings	30/06/18	–	–	33,354	33,354
Other structures	30/06/18	–	–	3,480	3,480
Roads, Bridges, Bulk Earthworks & Land Under Roads	30/06/20	–	–	287,643	287,643
Footpaths	30/06/20	–	–	2,972	2,972
Stormwater drainage	30/06/17	–	–	14,816	14,816
Water supply network	30/06/17	–	–	29,904	29,904
Sewerage network	30/06/17	–	–	18,701	18,701
Other recreational assets	30/06/18	–	–	248	248
Library books	30/06/20	–	–	132	132
Other Infrastructure	30/06/20	–	–	10,640	10,640
Tip Assets		–	–	3,244	3,244
Total infrastructure, property, plant and equipment		–	–	429,117	429,117

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 23. Fair Value Measurement (continued)

2019	Fair value measurement hierarchy				Total
	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobserv-able inputs	
Recurring fair value measurements					
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/19	–	–	6,410	6,410
Office equipment	30/06/19	–	–	309	309
Furniture and fittings	30/06/19	–	–	22	22
Swimming Pools	30/06/18	–	–	1,727	1,727
Operational land		–	–	–	–
Community Land	30/06/16	–	–	7,836	7,836
Land improvements – depreciable	30/06/18	–	–	3,688	3,688
Buildings	30/06/18	–	–	33,017	33,017
Other structures	30/06/18	–	–	6,238	6,238
Roads, Bridges, Bulk Earthworks & Land Under Roads	30/06/15	–	–	287,987	287,987
Footpaths	30/06/15	–	–	2,625	2,625
Stormwater drainage	30/06/17	–	–	14,731	14,731
Water supply network	30/06/17	–	–	30,253	30,253
Sewerage network	30/06/17	–	–	18,283	18,283
Other recreational assets	30/06/18	–	–	311	311
Library books	30/06/19	–	–	113	113
Other Infrastructure		–	–	1,483	1,483
Tip Assets		–	–	2,177	2,177
Total infrastructure, property, plant and equipment		–	–	417,210	417,210

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

(2) Transfers between level 1 and level 2 fair value hierarchies

The following transfers occurred between level 1 and level 2 fair value hierarchies during the year:

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

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

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 (IPP&E)

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. The key unobservable inputs to the valuation are the remaining useful life and residual value. Council reviews the values of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption, estimated remainig useful life and the residual value. There has been no change to the valuation process during the reporting period.

Operational Land comprises all of Council land classified as Operational Land under the NSW Local Government Act 1993. The key unobservable input to the valuation is the price per square metre. The last valuation was undertaken at 30 June 2020 using the values provided by the NSW Valuer General's Office. Generally, fair value is the most advantageous price reasonably obtained by the seller and the most advantageous price reasonably obtained by the buyer. This is not necessarily

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 23. Fair Value Measurement (continued)

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the market selling price of the asset, rather, it is regarded as the maximum value that Council would rationally pay to acquire the asset if it did not hold it, taking into account quoted market price in an active and liquid market, the current market price of the same or similar asset, the cost of replacing the asset, if management intended to replace the asset, the remaining useful life and condition of the asset; and cash flows from future use and disposal.

Valuations of all Council's Community Land are based on the land values provided by the NSW Valuer General's Office. As these values are not considered to be observable market evidence they have been classified as Level 3. Community Land was revalued as at 30 June 2020.

Depreciable Land Improvements comprises land improvements such as spectator mounds, gardens, mulched areas streetscaping and landscaping. These assets may be located on parks, reserves and within road reserves. They were last revalued at 30 June 2018 by Asset Val Pty Ltd. The cost approach has been utilised whereby the replacement cost was estimated for each asset by taking into account a range of factors. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

Buildings were valued by Asset Val Pty Ltd at 30 June 2018 using the cost approach. The approach estimated the replacement cost of each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While all buildings were physically inspected inputs such as estimates of residual value and pattern of consumption required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

Other Structures comprises lighting systems, shade sails, shelters, tennis and netball courts, bbqs, etc. The cost approach has been utilised whereby the replacement cost was estimated for each asset by taking into account a range of factors. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such, these assets were classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period. These assets were valued by Asset Val Pty Ltd at 30 June 2018

Roads comprises the road carriageway, bus shelters, carparks, guardrails, kerb & guttering, boat ramps, wharfs and traffic facilities. The road carriage way is defined as the trafficable portion of a road, between but not including the kerb & gutter. The cost approach using Level 3 inputs was used to value the road carriage way and other road infrastructure. Valuations for the road carriageway, comprising surface, pavement and formation were internally valued by Council Officers at 30 June 2020. The cost approach was utilised with inputs such as estimates of patterns of consumption, residual value, asset condition and useful life requiring extensive professional judgement which impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is some uncertainty regarding the actual design, specifications and dimensions of some assets.

Footpaths were internally valued by Council Officers at 30 June 2020 using a cost approach. Footpaths were segmented to match the adjacent road segment and no further componentisation was undertaken. Footpaths were originally assessed using physical inspections. Condition information is updated as changes in the network are observed through regular inspections. There has been no change to the valuation process during the reporting period.

Stormwater Drainage assets comprises pits, pipes, headwalls, gross pollutant traps and various types of water quality devices. The cost approach estimated the replacement cost of each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. The level of componentisation adopted by Council is in accordance with OLG Circular 09-09 and the Institute of Public Works Engineers Australia's International Infrastructure Management Manual (IIMM). Inputs such as estimates of the pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. Accordingly due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no changes to the valuation process during the reporting period. These assets were valued by Rapid Map Services Pty Ltd at 30 June 2017.

Sewerage Network and Water Supply Network assets comprises pump stations, reservoirs, treatment plants, reticulation mains, trunk mains, manholes, rising mains, pipes, valves, hydrants, standpipes. The cost approach estimated the replacement cost of each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. The level of componentisation adopted by Council is in accordance with OLG Circular 09-09 and the Institute of Public Works Engineers Australia's International Infrastructure Management Manual (IIMM). Inputs such as estimates of the pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. Accordingly due to limitations in the historical records of very long lived

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 23. Fair Value Measurement (continued)

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assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no changes to the valuation process during the reporting period. These assets were valued by AGIS Pty Ltd at 30 June 2017.

Swimming pools were valued by Asset Val Pty Ltd at 30 June 2018 using the cost approach. Inputs such as estimates of the pattern of consumption, residual value, asset condition and useful life required extensive professional judgement which impacted significantly on the final determination of fair value. There has been no change to the valuation process during the reporting period.

Other Open Space/Recreational Assets include all of Councils playground equipment. They were valued by Asset Val Pty Ltd at 30 June 2018 using the cost approach. Inputs such as estimates of the pattern of consumption, residual value, asset condition and useful life required extensive professional judgement which impacted significantly on the final determination of fair value. There has been no change to the valuation process during the reporting period.

Bridges were valued by Marsh Valuation (formally Asset Val Pty Ltd) at 30 June 2020 using a cost approach. Bridges were originally assessed using physical inspections. Condition information is updated as changes in the condition are observed through regular inspections. There has been no change to the valuation process during the reporting period.



## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 23. Fair Value Measurement (continued)

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

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

	Plant and equipment \$ '000	Office equipment \$ '000	Furniture and fittings \$ '000	Operational land \$ '000	Library books \$ '000
<b>2019</b>					
<b>Opening balance</b>	5,427	230	32	–	107
Purchases (GBV)	2,176	113	–	–	42
Disposals (WDV)	(194)	–	–	–	–
Depreciation and impairment	(999)	(34)	(10)	–	(36)
<b>Closing balance</b>	6,410	309	22	–	113
<b>2020</b>					
<b>Opening balance</b>	6,410	309	22	–	113
Purchases (GBV)	1,320	190	2	–	49
Other movement (revaluation)	–	–	–	1,400	–
Disposals (WDV)	(199)	–	–	–	–
Transfers from/(to) another asset class	–	–	–	2,657	–
Depreciation and impairment	(990)	(35)	(8)	–	(30)
<b>Closing balance</b>	6,541	464	16	4,057	132
	Community land \$ '000	Land imp'mts depreciable \$ '000	Buildings \$ '000	Other structures \$ '000	Roads \$ '000
<b>2019</b>					
<b>Opening balance</b>	7,842	3,222	34,677	5,798	285,371
Purchases (GBV)	–	677	239	98	4,098
Other movement (revaluation)	–	–	–	535	–
Disposals (WDV)	(6)	–	(26)	–	–
Transfers from/(to) another asset class	–	–	8	–	2,154
Depreciation and impairment	–	(211)	(1,881)	(193)	(3,636)
<b>Closing balance</b>	7,836	3,688	33,017	6,238	287,987
<b>2020</b>					
<b>Opening balance</b>	7,836	3,688	33,017	6,238	287,987
Purchases (GBV)	–	518	1,669	1,084	4,405
Other movement (revaluation)	2,071	–	–	–	(1,041)
Transfers from/(to) another asset class	(2,657)	–	–	(3,715)	–
Depreciation and impairment	–	(222)	(1,332)	(127)	(3,708)
<b>Closing balance</b>	7,250	3,984	33,354	3,480	287,643

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 23. Fair Value Measurement (continued)

	Footpaths \$ '000	Stormwater drainage \$ '000	Water supply network \$ '000	Sewerage network \$ '000	Swimming pools \$ '000
<b>2019</b>					
Opening balance	2,552	14,049	29,932	18,105	1,802
Purchases (GBV)	157	686	416	610	–
Other movement (revaluation)	–	223	476	288	–
Transfers from/(to) another asset class	–	–	85	40	–
Depreciation and impairment	(84)	(227)	(656)	(760)	(75)
Closing balance	2,625	14,731	30,253	18,283	1,727
<b>2020</b>					
Opening balance	2,625	14,731	30,253	18,283	1,727
Purchases (GBV)	162	578	67	1,038	19
Other movement (revaluation)	272	129	283	165	–
Depreciation and impairment	(87)	(622)	(699)	(785)	(75)
Closing balance	2,972	14,816	29,904	18,701	1,671

	Open space \$ '000	Other Infrastructure \$ '000	Tip Assets \$ '000	Total \$ '000
<b>2019</b>				
Opening balance	352	1,530	2,177	413,205
Purchases (GBV)	–	–	–	9,312
Other movement (revaluation)	–	–	–	1,522
Disposals (WDV)	–	–	–	(226)
Transfers from/(to) another asset class	23	–	–	2,310
Depreciation and impairment	(64)	(47)	–	(8,913)
Closing balance	311	1,483	2,177	417,210
<b>2020</b>				
Opening balance	311	1,483	2,177	417,210
Purchases (GBV)	–	41	1,112	12,254
Other movement (revaluation)	–	5,514	–	8,793
Disposals (WDV)	–	–	–	(199)
Transfers from/(to) another asset class	–	3,715	–	–
Depreciation and impairment	(63)	(113)	(45)	(8,941)
Closing balance	248	10,640	3,244	429,117

##### (5) Highest and best use

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

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 24. Related party disclosures

(a) Key management personnel

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

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

	2020 \$ '000	2019 \$ '000
<b>Compensation:</b>		
Short-term benefits	1,277	1,445
Post Employment Benefits	103	134
Termination benefits	30	413
Total	1,410	1,992

Wentworth Shire Council

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 24. Related party disclosures (continued)

(b) Other transactions with KMP and their related parties

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

Nature of the transaction	Ref	Value of transactions during year \$ '000	Outstanding balance (incl. loans and commitments) \$ '000	Terms and conditions	Provisions for impairment of receivables outstanding \$ '000	Expense recognised for impairment of receivables \$ '000
<b>2020</b>						
Purchase of Parts and Service of Heavy Plant	1	618	2		-	-
Property Management Fees	2	1	-		-	-
Fees and Charges	3	9			-	-
Contribution to Operating Costs	4	-	4		-	-
Employee Remuneration relating to a close family member of a KMP	5	99	-		-	-
Supply of Hardware Materials	6	3	-		-	-
Donations, Grants and Contributions	7	30	-		-	-
Tree/Weed Removal, Construction and Demolition work	8	118	-		-	-
Cleaning Services	9	97	-		-	-
Document Destruction Services, Native Nursery & Employment	11	4	-		-	-



Notes to the Financial Statements  
for the year ended 30 June 2020

Note 24. Related party disclosures (continued)

Nature of the transaction	Ref	Value of transactions during year \$ '000	Outstanding balance (incl. loans and commitments) \$ '000	Terms and conditions	Provisions for impairment of receivables outstanding \$ '000	Expense recognised for impairment of receivables \$ '000
2019						
Purchase of Parts and Service of Heavy Plant	1	116	7			-
Property Management Fees	2	1	-			-
Fees and Charges	3	2	-			-
Contribution to Operating Costs	4	-	4			-
Employee Remuneration relating to a close family member of a KMP	5	91	-			-
Supply of Hardware Materials	6	2	-			-
Donations, Grants and Contributions	7	19	-			-
Tree/Weed Removal, Construction and Demolition work	8	103	-			-
Cleaning Services	9	88	-			-
Professional Consulting Services	10	125	-			-
Document Destruction Services, Native Nursery & Employment	11	2	-			-
Hire of Caravan	12	4	-			-

- 1

Council purchases parts and has heavy plant serviced by William Adams Pty Ltd and Midura Truck Centre Pty Ltd, companies that employee close family members of Council KMP's. Services and spare parts are billed based on normal rates for such supplies and are due and payable under normal payment terms following Council's procurement process.
- 2

Council has an investment property that is managed by Elstone Agencies Pty Ltd, a company directly controlled by a Council KMP. Commission was paid under standard industry terms following Council's procurement process

A fee for the replacement of a Mobile Garbage Bin was received from Elston Agencies Pty Ltd, a company which is directly controlled by a Council KMP. Fees were received in relation to the purchase of supplies from Council's store by the Wentworth Golf Club, an organisation that is jointly controlled by a Council KMP. Licence Fees for the use of a Crown Reserve for which Council is the Crown Land Manager was received from Wentworth Golf Club, an organisation that is jointly controlled by a Council KMP. Fees and Charges for Food Premises Inspections, Waste Disposal and the hire of Council parks was received by the Coomealla Memorial Sporting Club, an organisation that is jointly controlled by a Council KMP. Licence fees for the use of a Crown Reserve which Council is the Crown Land Manager from the Coomealla Memorial Sporting Club, an organisation that is jointly controlled by a Council KMP.
- 4

An outstanding amount is owed to Council by Wentworth Cruises, a business that employees a Council KMP and is jointly controlled by a Council KMP. The amount is a contribution to the operating costs of a Crown Reserve which Council is the Crown Land Manager.
- 5

A close family member of a Council KMP's are employed by Council under the Local Government State Award on an arm's length basis.
- 6

Council purchases hardware supplies from Wheelodon's Hardware, a business directly controlled by a Council KMP. Amounts were billed based on normal rates for such supplies and were due and payable under normal payment terms following Council's procurement process.

Wentworth Shire Council

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 24. Related party disclosures (continued)

- 7

Council approved Donations and Contributions to Bottle Bend Reserve Land Manager, Wentworth Rotary Club, Murray House Aged Care and Wentworth Pioneer Homes as part of Council's annual Donations, Grants and Contributions program. All four organisations are jointly controlled by a Council KMP.
- 8

Council incurred transactions during the year with XCAV8IT, a business that is directly controlled by a close family member of a Council KMP. Amounts were billed based on normal rates for such supplies and were due and payable under normal payment terms following Council's procurement process.
- 9

Council incurred transactions with Wally Green's Hygiene & Cleaning Services, a business that employees a close family member of a Council KMP. Amounts were billed based on normal rates for such supplies and were due and payable under normal payment terms following Council's procurement process.
- 10

Council incurred transactions with Aurecon Pty Ltd, a company that employed the close family member of a Council KMP. Amounts were billed based on normal rates for such supplies and were due and payable under normal payment terms following Council's procurement process. Council incurred transactions with Tonkins Consulting Pty Ltd, a company that employees the close family member of a Council KMP. Amounts were billed based on normal rates for such supplies and were due and payable under normal payment terms following Council's procurement process. Council incurred transactions with Juxter Pty Ltd, a company that employees a close family member of a Council KMP. Amounts were billed based on normal rates for such supplies and were due and payable under normal payment terms following Council's procurement process.
- 11

Council incurred transactions with the Christie Centre Inc, an organisation that is jointly controlled by a Council KMP. Amounts were billed based on normal rates for such supplies and were due and payable under normal payment terms following Council's procurement process. The Christie Centre also employs a close family member of a Council KMP.
- 12

Council incurred transactions with Darlene and Rod Watts for the hire of a caravan for the Manager at Willowbend Caravan Park. They are close family members of a Council KMP. Amounts were billed based on a normal rates for such supplies and were due and payable under normal payment terms following Council's procurement process.

(c) Other related party transactions

- 1

Council is a member of the Far West Joint Organisation of Councils (FWJO). Council was not required to make any contributions to the FWJO during 2019/20

Note 25. Events occurring after the reporting date

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

Wentworth Shire Council

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 26. Statement of developer contributions

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

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

Summary of contributions and levies

	as at 30/06/19	Contributions received during the year			Interest earned in year \$ '000	Expenditure during year \$ '000	Internal borrowing (to)/from \$ '000	as at 30/06/20	
	Opening Balance \$ '000	Cash \$ '000	Non-cash \$ '000					Held as restricted asset \$ '000	Cumulative internal borrowings due/(payable) \$ '000
Development Contribution Plan Service Plan # 2	154	5	-		3	-	-	162	-
	466	1	-		11	-	-	478	-
<b>S7.11 contributions – under a plan</b>	620	6	-		14	-	-	640	-
<b>Total S7.11 and S7.12 revenue under plans</b>	620	6	-		14	-	-	640	-
<b>Total contributions</b>	620	6	-		14	-	-	640	-

S7.11 Contributions – under a plan

<b>CONTRIBUTION PLAN 1</b>									
Development Contribution Plan Service Plan # 2	154	5	-		3	-	-	162	-
	466	1	-		11	-	-	478	-
<b>Total</b>	620	6	-		14	-	-	640	-



## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 27. Result by fund

	General <sup>1</sup> 2020 \$ '000	Water 2020 \$ '000	Sewer 2020 \$ '000
<b>Income Statement by fund</b>			
<b>Income from continuing operations</b>			
Rates and annual charges	6,029	1,184	1,609
User charges and fees	6,296	1,502	–
Interest and investment revenue	340	186	60
Other revenues	975	1	1
Grants and contributions provided for operating purposes	10,270	19	18
Grants and contributions provided for capital purposes	5,399	1,608	1,293
Net gains from disposal of assets	80	–	–
Rental income	51	–	–
<b>Total income from continuing operations</b>	<b>29,440</b>	<b>4,500</b>	<b>2,981</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	7,230	1,143	417
Borrowing costs	206	–	–
Materials and contracts	7,832	68	(41)
Depreciation and amortisation	7,454	701	786
Other expenses	2,624	573	191
Share of interests in joint ventures and associates using the equity method	102	–	–
<b>Total expenses from continuing operations</b>	<b>25,448</b>	<b>2,485</b>	<b>1,353</b>
<b>Operating result from continuing operations</b>	<b>3,992</b>	<b>2,015</b>	<b>1,628</b>
<b>Net operating result for the year</b>	<b>3,992</b>	<b>2,015</b>	<b>1,628</b>
<b>Net operating result attributable to each council fund</b>	<b>3,992</b>	<b>2,015</b>	<b>1,628</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>(1,407)</b>	<b>407</b>	<b>335</b>

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

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

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 27. Result by fund (continued)

	General <sup>1</sup> 2020 \$ '000	Water 2020 \$ '000	Sewer 2020 \$ '000
<b>Statement of Financial Position by fund</b>			
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	(1,372)	9,154	2,631
Investments	18,005	–	–
Receivables	4,078	1,082	386
Inventories	202	–	–
Other	213	–	–
<b>Total current assets</b>	<b>21,126</b>	<b>10,236</b>	<b>3,017</b>
<b>Non-current assets</b>			
Infrastructure, property, plant and equipment	386,451	33,205	22,538
Investments accounted for using the equity method	1,359	–	–
Intangible assets	184	–	–
<b>Total non-current assets</b>	<b>387,994</b>	<b>33,205</b>	<b>22,538</b>
<b>TOTAL ASSETS</b>	<b>409,120</b>	<b>43,441</b>	<b>25,555</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	3,512	23	43
Contract liabilities	1,056	–	–
Borrowings	262	–	–
Provisions	2,212	–	–
<b>Total current liabilities</b>	<b>7,042</b>	<b>23</b>	<b>43</b>
<b>Non-current liabilities</b>			
Borrowings	4,032	–	–
Provisions	2,720	–	–
<b>Total non-current liabilities</b>	<b>6,752</b>	<b>–</b>	<b>–</b>
<b>TOTAL LIABILITIES</b>	<b>13,794</b>	<b>23</b>	<b>43</b>
<b>Net assets</b>	<b>395,326</b>	<b>43,418</b>	<b>25,512</b>
<b>EQUITY</b>			
Accumulated surplus	44,193	19,101	6,778
Revaluation reserves	351,133	24,317	18,734
<b>Council equity interest</b>	<b>395,326</b>	<b>43,418</b>	<b>25,512</b>
<b>Total equity</b>	<b>395,326</b>	<b>43,418</b>	<b>25,512</b>

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

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

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 28(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2020	Indicator 2020	Prior periods 2019	2018	Benchmark
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	(643)	(2.25)%	(6.83)%	1.33%	>0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	28,541				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	18,234	49.49%	49.70%	58.80%	>60.00%
Total continuing operating revenue <sup>1</sup>	36,841				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	19,413				
Current liabilities less specific purpose liabilities	5,385	3.61x	7.19x	7.93x	>1.50x
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	8,504				
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	451	18.86x	16.25x	16.94x	>2.00x
<b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>					
Rates, annual and extra charges outstanding	1,207				
Rates, annual and extra charges collectible	9,976	12.10%	10.87%	9.85%	<10.00%
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	28,418	15.55	17.86	16.28	>3.00
Monthly payments from cash flow of operating and financing activities	1,828	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

Wentworth Shire Council

Notes to the Financial Statements  
for the year ended 30 June 2020

Note 28(b). Statement of performance measures – by fund

\$ '000	General Indicators <sup>3</sup> 2020	2019	Water Indicators 2020	2019	Sewer Indicators 2020	2019	Benchmark
<b>1. Operating performance ratio</b>							
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	(5.78)%	(14.93)%	14.07%	29.88%	19.85%	24.84%	>0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>							
<b>2. Own source operating revenue ratio</b>							
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	46.63%	44.39%	63.84%	81.16%	56.02%	57.84%	>60.00%
Total continuing operating revenue <sup>1</sup>							
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions	3.61x	7.19x	445.04x	∞	70.16x	∞	>1.50x
Current liabilities less specific purpose liabilities							
<b>4. Debt service cover ratio</b>							
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	13.91x	10.15x	∞	∞	∞	∞	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
<b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>							
Rates, annual and extra charges outstanding	4.89%	5.94%	35.56%	32.44%	16.35%	16.94%	<10.00%
Rates, annual and extra charges collectible							
<b>6. Cash expense cover ratio</b>							
Current year's cash and cash equivalents plus all term deposits	11.03	13.41	44.20	47.90	23.33	25.09	>3.00
Payments from cash flow of operating and financing activities	mths	mths	mths	mths	mths	mths	mths

(1) - (2) Refer to Notes at Note 28 above.

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



## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 29. Financial review

	2020 \$ '000	2019 \$ '000	2018 \$ '000	2017 \$ '000	2016 \$ '000
<b>Key financial figures of Council over the past 5 years</b>					
<b>Inflows:</b>					
Rates and annual charges revenue	8,822	8,635	8,265	7,762	7,762
User charges revenue	7,798	5,422	6,759	4,155	4,155
Interest and investment revenue (losses)	586	886	765	839	839
Grants income – operating and capital	15,146	10,992	9,328	9,439	9,439
Total income from continuing operations	36,921	33,994	28,400	25,123	25,123
Sale proceeds from I,PP&E	279	440	710	39	39
New loan borrowings and advances	–	–	–	2,936	–
<b>Outflows:</b>					
Employee benefits and on-cost expenses	8,790	9,280	8,791	7,945	7,945
Borrowing costs	206	216	191	57	57
Materials and contracts expenses	7,859	5,464	6,573	4,617	4,617
Total expenses from continuing operations	29,286	27,534	26,419	22,994	22,994
Total cash purchases of I,PP&E	15,711	11,288	10,465	6,625	6,625
Total loan repayments (incl. finance leases)	245	240	286	169	169
Operating surplus/(deficit) (excl. capital income)	(665)	(84)	476	601	601
<b>Financial position figures</b>					
Current assets	34,379	34,146	33,272	30,320	30,320
Current liabilities	7,108	4,381	4,391	4,423	4,423
Net current assets	27,271	29,765	28,881	25,897	25,897
Available working capital (Unrestricted net current assets)	4,884	5,474	8,216	9,646	9,646
Cash and investments – unrestricted	4,337	4,633	5,297	9,405	9,405
Cash and investments – internal restrictions	10,583	11,199	10,767	6,660	6,660
Cash and investments – total	28,418	30,327	28,281	26,134	26,134
Total borrowings outstanding (Loans, advances and finance leases)	4,294	4,539	4,779	1,016	1,016
Total value of I,PP&E (excl. land and earthworks)	473,938	447,222	432,236	351,938	351,938
Total accumulated depreciation	234,023	223,148	214,659	177,381	177,381
Indicative remaining useful life (as a % of GBV)	51%	50%	50%	50%	50%

**Source:** published audited financial statements of Council (current year and prior year)

## Wentworth Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2020

#### Note 30. Council information and contact details

##### Principal place of business:

26-28 Adelaide Street  
Wentworth NSW 2648

##### Contact details

##### Mailing Address:

PO Box 81  
Wentworth NSW 2648

**Telephone:** 03 5027 5027

**Facsimile:** 03 5027 5000

##### Opening hours:

8:30am - 5:00pm  
Monday to Friday

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

**Email:** [council@wentworth.nsw.gov.au](mailto:council@wentworth.nsw.gov.au)

##### Officers

##### General Manager

Ken Ross

##### Responsible Accounting Officer

Simon Rule

##### Public Officer

Simon Rule

##### Auditors

Audit Office of NSW  
Darling Park Tower 2, Level 19  
201 Sussex Street  
Sydney NSW 2000

##### Other information

**ABN:** 96 283 886 815

##### Elected members

##### MAYOR

Melisa Hederics

##### COUNCILLORS

Tim Elstone  
Greg Evans  
Steve Heywood  
Jane MacAllister  
Don McKinnon  
Susan Nichols  
Peter Nunan  
Bill Wheeldon



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Wentworth Shire Council

To the Councillors of Wentworth Shire Council

### Opinion

I have audited the accompanying financial statements of Wentworth 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 2020, the Statement of Financial Position as at 30 June 2020, 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 2020, 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 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

### The Councillors' Responsibilities for the Financial Statements

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

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





Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor’s report.

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

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 22 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Manuel Moncada  
Delegate of the Auditor-General for New South Wales  
20 November 2020  
SYDNEY

Cr Susan Nichols  
Mayor  
Wentworth Shire Council  
PO Box 81  
WENTWORTH NSW 2648

Contact: Manuel Moncada  
Phone no: 02 9275 7333  
Our ref: D2027135/1806

20 November 2020

Dear Mayor

Report on the Conduct of the Audit  
for the year ended 30 June 2020  
Wentworth Shire Council

I have audited the general purpose financial statements (GPFS) of the Wentworth Shire Council (the Council) for the year ended 30 June 2020 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 2020 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2020 \$m	2019 \$m	Variance %
Rates and annual charges revenue	8.82	8.64	2.1
Grants and contributions revenue	18.61	16.26	14.5
Operating result from continuing operations	7.64	6.46	18.3
Net operating result before capital grants and contributions	(0.67)	(0.08)	737.5

Council's operating result (\$7.64 million including the effect of depreciation and amortisation expense of \$8.94 million) was \$1.18 million higher than the 2018–19 result. This was mainly due to an increase in revenue from RMS charges of \$2.22 million and an increase in revenue from grants and contributions of \$2.35 million. This was offset by increased operating expenditure of \$1.65 million and a reduction in income from the recognition of Council's share of the net assets of the Far South West Joint Organisation (FSWJO) which was first accounted for in 2018-19.

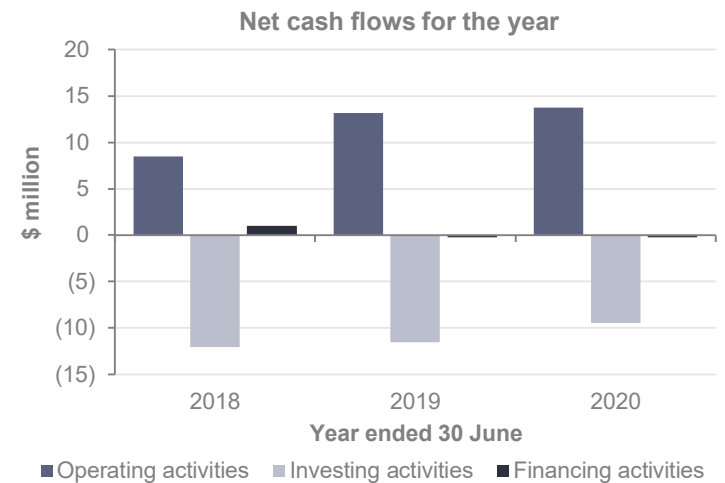
The net operating result before capital grants and contributions (deficit of \$665,000) was \$581,000 lower than the 2018–19 result.

Rates and annual charges revenue (\$8.82 million) increased by \$187,000 (2.2 per cent) in 2019–2020.

Grants and contributions revenue (\$18.61 million) increased by \$2.35 million (14.5 per cent) in 2019–2020. This was primarily due to the recognition of increased capital grant revenue relating to water supply and aerodrome projects.

STATEMENT OF CASH FLOWS

- The Statement of Cash Flows illustrates the flow of cash and cash equivalents moving in and out of Council during the year and reveals that cash increased by \$4.1 million to \$10.4 million at the close of the year.



FINANCIAL POSITION

Cash and investments

Cash and investments	2020	2019	Commentary
	\$m	\$m	
External restrictions	13.5	14.5	• External restrictions include unspent specific purpose grants and contributions, and water and sewerage funds.
Internal restrictions	10.6	11.2	
Unrestricted	4.3	4.6	• Balances are internally restricted due to Council policy or decisions for forward plans including works program.
Cash and investments	28.4	30.3	
			• Unrestricted balances provide liquidity for day-to-day operations.

Debt

After repaying principal and interest of \$451,000, total debt as at 30 June 2020 was \$4.3 million (2018: \$4.5 million).

PERFORMANCE

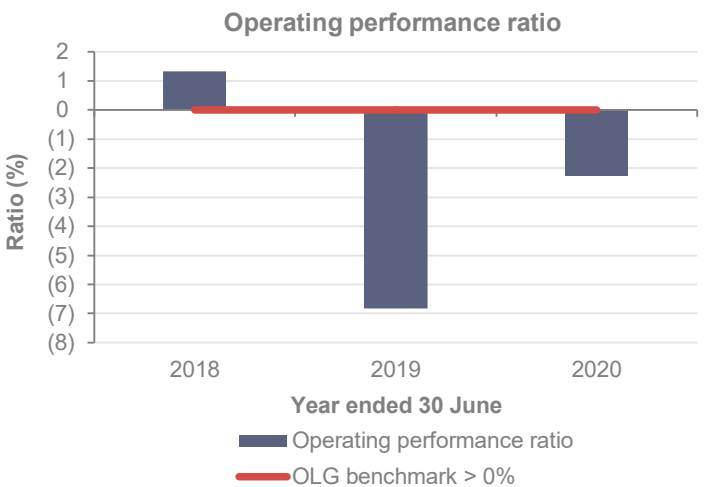
Performance measures

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

Operating performance ratio

The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.

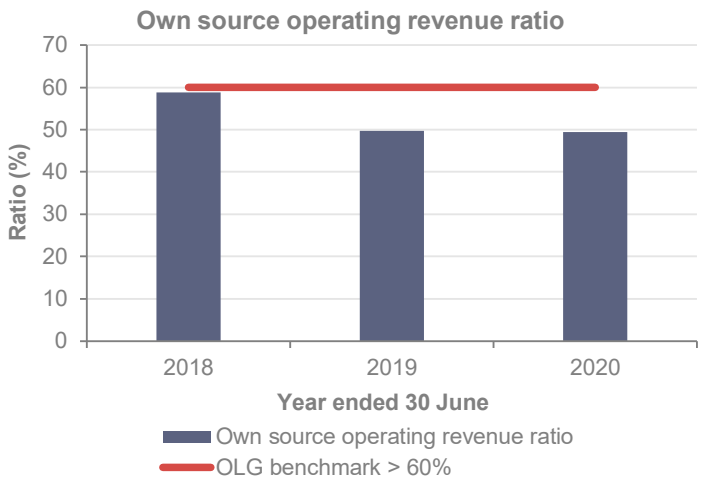
The Council did not meet the OLG benchmark for the current reporting period.



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.

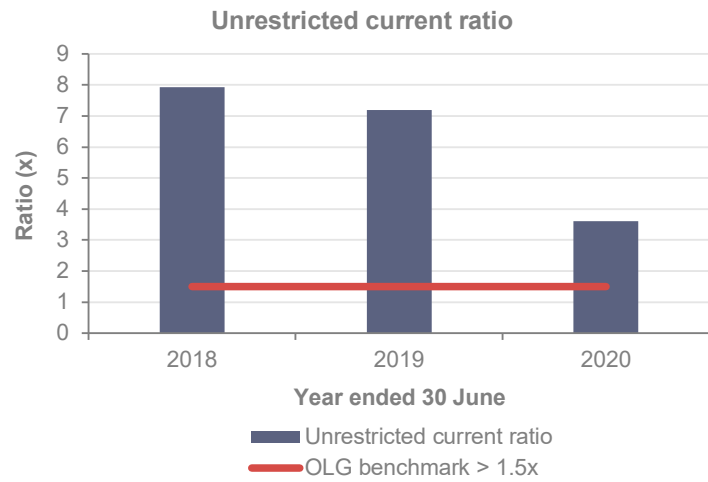




Unrestricted current ratio

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.

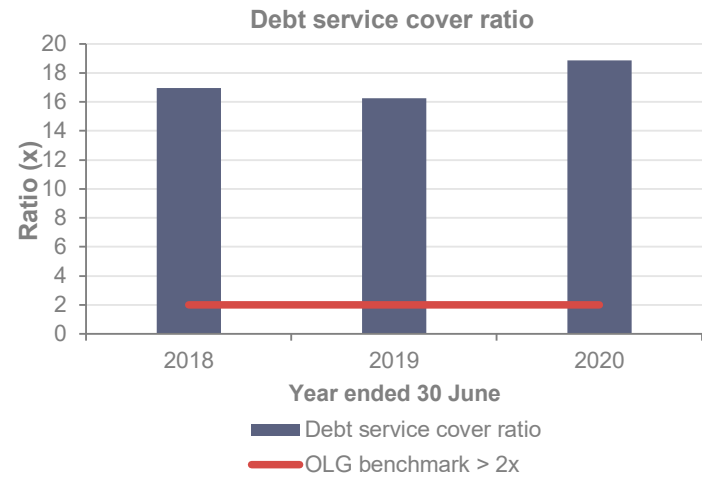
The Council exceeded the OLG benchmark for the current reporting period.



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.

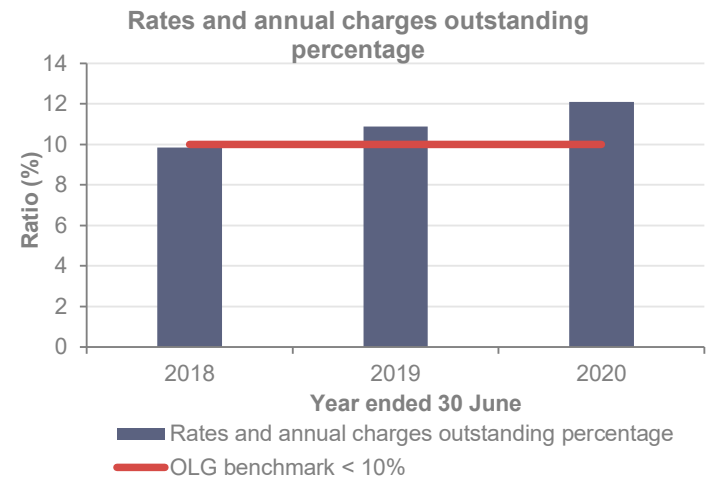
The Council exceeded the OLG benchmark for the current reporting period.



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.

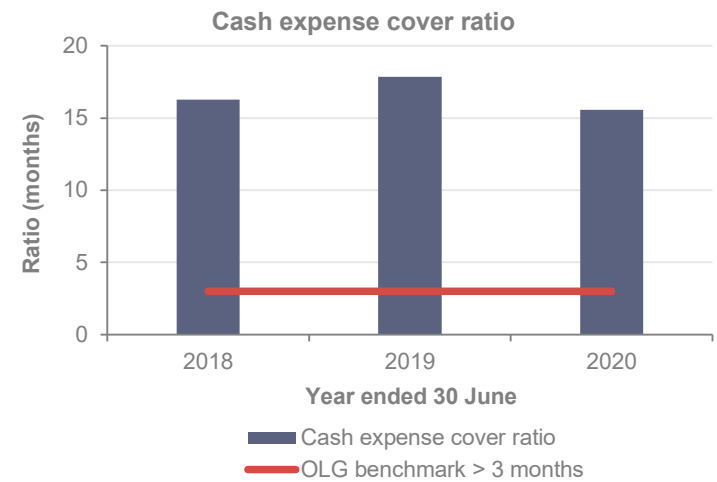
The Council did not meet the OLG benchmark for the current reporting period.



Cash expense cover ratio

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.

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



Infrastructure, property, plant and equipment renewals

- Council's asset renewal additions for the year were \$14.9 million compared \$7.7 million for the prior year
- The level of asset renewals during the year represented 167 percent of the total depreciation expense (\$8.9 million) for the year.

OTHER MATTERS

Impact of new accounting standards

AASB 15 'Revenue from Contracts with Customers' and AASB 1058 'Income for Not-for-Profit Entities'

The Council adopted the new accounting standards AASB 15 'Contracts with Customers' and AASB 1058 'Income of Not-for-Profit Entities' (collectively referred to as the Revenue Standards) for the first time in their 2019–20 financial statements.

AASB 15 introduces a new approach to recognising revenue based on the principle that revenue is recognised when control of a good or service transfers to a customer. AASB 15 impacts the timing and amount of revenue recorded in a councils' financial statements, particularly for grant revenue. AASB 15 also increases the amount of disclosures required.

AASB 1058 prescribes how not-for-profit entities account for transactions conducted on non-commercial terms and the receipt of volunteer services. AASB 1058 significantly impacts the timing and amount of income recorded in a councils' financial statements, particularly for grant income and rates which are paid before the commencement of the rating period.

The Council recognised a \$561,000 adjustment to opening accumulated surplus at 1 July 2019 on adoption of the new Revenue Standards.

The Council disclosed the impact of adopting the new Revenue Standards in Note 16.

#### AASB 16 'Leases'

The Council adopted the new accounting standard AASB 16 'Leases' for the first time in their 2019–20 financial statements.

AASB 16 changes the way lessees treat operating leases for financial reporting. With a few exceptions, operating leases will now be recorded in the Statement of Financial Position as a right-of-use asset, with a corresponding lease liability.

AASB 16 results in lessees recording more assets and liabilities in the Statement of Financial Position and changes the timing and pattern of expenses recorded in the Income Statement.

There was no monetary impact on Council's financial statements on adoption of AASB 16.

#### 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.

The Council's:

- accounting records were maintained in a manner and form that facilitated the preparation and the effective audit of the general purpose financial statements
- staff provided all accounting records and information relevant to the audit.



Manuel Moncada  
Delegate of the Auditor-General for New South Wales

cc: Ken Ross, General Manager  
Jim Betts, Secretary of the Department of Planning, Industry and Environment

# Wentworth Shire Council

## SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2020

### Wentworth Shire Council

Special Purpose Financial Statements 2020

### Special Purpose Financial Statements

for the year ended 30 June 2020

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#### Background

- 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.
- 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.

- 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).

- 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).



## Wentworth Shire Council

### Special Purpose Financial Statements

for the year ended 30 June 2020

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 21 October 2020.



Melisa Hederics  
Mayor  
21 October 2020



Tim Elstone  
Councillor  
21 October 2020



Ken Ross  
General Manager  
21 October 2020



Simon Rule  
Responsible Accounting Officer  
21 October 2020

## Wentworth Shire Council

### Income Statement – Water Supply Business Activity

for the year ended 30 June 2020

	2020 \$ '000	2019 \$ '000
<b>Income from continuing operations</b>		
Access charges	1,184	1,156
User charges	1,411	1,463
Fees	91	38
Interest	186	240
Grants and contributions provided for non-capital purposes	19	213
Other income	1	2
<b>Total income from continuing operations</b>	<b>2,892</b>	<b>3,112</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	584	548
Materials and contracts	879	624
Depreciation, amortisation and impairment	701	658
Water purchase charges	6	–
Other expenses	315	351
<b>Total expenses from continuing operations</b>	<b>2,485</b>	<b>2,181</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>407</b>	<b>931</b>
Grants and contributions provided for capital purposes	1,608	460
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>2,015</b>	<b>1,391</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>2,015</b>	<b>1,391</b>
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(112)	(256)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>1,903</b>	<b>1,135</b>
<b>Plus accumulated surplus</b>	<b>17,086</b>	<b>15,695</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	112	256
<b>Closing accumulated surplus</b>	<b>19,101</b>	<b>17,086</b>
<b>Return on capital %</b>	<b>1.2%</b>	<b>3.0%</b>
<b>Subsidy from Council</b>	<b>–</b>	<b>–</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	1,903	1,135
Less: capital grants and contributions (excluding developer contributions)	(1,542)	–
<b>Surplus for dividend calculation purposes</b>	<b>361</b>	<b>1,135</b>
<b>Potential dividend calculated from surplus</b>	<b>181</b>	<b>567</b>

## Wentworth Shire Council

### Income Statement – Sewerage Business Activity

for the year ended 30 June 2020

	2020 \$ '000	2019 \$ '000
<b>Income from continuing operations</b>		
Access charges	1,609	1,541
User charges	–	104
Interest	60	81
Grants and contributions provided for non-capital purposes	18	17
Other income	1	–
<b>Total income from continuing operations</b>	<b>1,688</b>	<b>1,743</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	217	204
Materials and contracts	225	216
Depreciation, amortisation and impairment	786	760
Other expenses	125	129
<b>Total expenses from continuing operations</b>	<b>1,353</b>	<b>1,309</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>335</b>	<b>434</b>
Grants and contributions provided for capital purposes	1,293	1,241
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>1,628</b>	<b>1,675</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>1,628</b>	<b>1,675</b>
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(92)	(119)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>1,536</b>	<b>1,556</b>
<b>Plus accumulated surplus</b>	<b>5,150</b>	<b>3,475</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	92	119
<b>Closing accumulated surplus</b>	<b>6,778</b>	<b>5,150</b>
<b>Return on capital %</b>	<b>1.5%</b>	<b>2.1%</b>
<b>Subsidy from Council</b>	<b>–</b>	<b>–</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	1,536	1,556
Less: capital grants and contributions (excluding developer contributions)	(987)	(558)
<b>Surplus for dividend calculation purposes</b>	<b>549</b>	<b>998</b>
<b>Potential dividend calculated from surplus</b>	<b>274</b>	<b>499</b>

## Wentworth Shire Council

### Statement of Financial Position – Water Supply Business Activity

as at 30 June 2020

	2020 \$ '000	2019 \$ '000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	9,154	8,710
Receivables	1,082	1,289
<b>Total current assets</b>	<b>10,236</b>	<b>9,999</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	33,205	31,119
<b>Total non-current assets</b>	<b>33,205</b>	<b>31,119</b>
<b>TOTAL ASSETS</b>	<b>43,441</b>	<b>41,118</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	23	–
<b>Total current liabilities</b>	<b>23</b>	<b>–</b>
<b>TOTAL LIABILITIES</b>	<b>23</b>	<b>–</b>
<b>NET ASSETS</b>	<b>43,418</b>	<b>41,118</b>
<b>EQUITY</b>		
Accumulated surplus	19,101	17,086
Revaluation reserves	24,317	24,032
<b>TOTAL EQUITY</b>	<b>43,418</b>	<b>41,118</b>



## Wentworth Shire Council

### Statement of Financial Position – Sewerage Business Activity

as at 30 June 2020

	2020 \$ '000	2019 \$ '000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	2,631	2,739
Receivables	386	508
<b>Total current assets</b>	3,017	3,247
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	22,538	20,472
<b>Total non-current assets</b>	22,538	20,472
<b>TOTAL ASSETS</b>	25,555	23,719
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	43	–
<b>Total current liabilities</b>	43	–
<b>TOTAL LIABILITIES</b>	43	–
<b>NET ASSETS</b>	25,512	23,719
<b>EQUITY</b>		
Accumulated surplus	6,778	5,150
Revaluation reserves	18,734	18,569
<b>TOTAL EQUITY</b>	25,512	23,719

## Wentworth Shire Council

### Notes to the Special Purpose Financial Statements

for the year ended 30 June 2020

#### Note 1. 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 2093 (NSW), the *Local Government (General) Regulation 2005*, and the Local Government Code of Accounting Practice and Financial Reporting.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

#### National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The *Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

#### Declared business activities

In accordance with Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality, Council has declared that the following are to be considered as business activities:

##### Category 1

(where gross operating turnover is over \$2 million)

##### a. Wentworth Shire Council Combined Water Supplies

Comprising the whole of the operations and net assets of Council's water supply activities servicing the towns of Wentworth, Dareton, Gol Gol, Pooncarie and Buronga, which is established as a separate Special Rate Fund.

##### b. Wentworth Shire Council Combined Sewerage Service

Comprising the whole of the operations and net assets of Council's sewerage reticulation and treatment activities servicing the towns of Wentworth, Dareton, Gol Gol, Pooncarie and Buronga, which is established as a Special Rate Fund.

##### Category 2

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

Nil

Notes to the Special Purpose Financial Statements  
for the year ended 30 June 2020

Note 1. Significant Accounting Policies (continued)

Monetary amounts

Amounts shown in the financial statements are in Australian dollars and rounded to the nearest one thousand dollars.

(i) Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

Notional rate applied (%)

Corporate income tax rate – **27.5%**

Land tax – the first \$692,000 of combined land values attracts **0%**. For the combined land values in excess of \$692,001 up to \$4,231,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$4,231,000 a premium marginal rate of **2.0%** applies.

Payroll tax – **5.45%** on the value of taxable salaries and wages in excess of \$850,000.

In accordance with the Department of Industry (DoI) – Water guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the DoI – Water guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

Achievement of substantial compliance to the DoI – Water guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 27.5%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations - it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in the SPFS.

The rate applied of 27.5% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

A calculation of the equivalent rates and charges payable on all category 1 businesses has been applied to all land assets owned or exclusively used by the business activity.

Notes to the Special Purpose Financial Statements  
for the year ended 30 June 2020

Note 1. Significant Accounting Policies (continued)

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.

(ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

(iii) Return on investments (rate of return)

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

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return is calculated as follows:

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 0.88% at 30/6/20.

(iv) Dividends

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

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

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

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

In accordance with the 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

#### Wentworth Shire Council

To the Councillors of Wentworth Shire Council

#### Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Wentworth 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 2020, the Statement of Financial Position of each Declared Business Activity as at 30 June 2020 and Note 1 Significant accounting policies for the Business Activities declared by Council.

The Declared Business Activities of the Council are:

- Water Supply Business Activity
- Sewerage Business Activity

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2020, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting – update number 28 (LG Code).

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

#### Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

#### Other Information

The Council's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

#### The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in Note 1 to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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.

Manuel Moncada

Delegate of the Auditor-General for New South Wales

20 November 2020  
SYDNEY

# Wentworth Shire Council

## SPECIAL SCHEDULES for the year ended 30 June 2020

### Wentworth Shire Council

Special Schedules 2020

### Special Schedules for the year ended 30 June 2020

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### Background

These Special Schedules have been designed to meet the requirements of special purpose users such as:

- the NSW Grants Commission
- the Australian Bureau of Statistics (ABS)
- the NSW Office of Water (NOW), and
- the Office of Local Government (OLG)

The financial data is collected for various uses including:

- the allocation of Financial Assistance Grants,
- the incorporation of Local Government financial figures in national statistics,
- the monitoring of loan approvals
- the allocation of borrowing rights, and
- the monitoring of the financial activities of specific services

### Wentworth Shire Council

### Permissible income for general rates

	Notes	Calculation 2020/21 \$ '000	Calculation 2019/20 \$ '000
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	5,271	5,146
Plus or minus adjustments <sup>2</sup>	b	54	106
<b>Notional general income</b>	c = a + b	<b>5,325</b>	<b>5,252</b>
<b>Permissible income calculation</b>			
Or rate peg percentage	e	2.60%	2.70%
Or plus rate peg amount	i = e x (c + g)	138	142
<b>Sub-total</b>	k = (c + g + h + i + j)	<b>5,463</b>	<b>5,394</b>
Plus (or minus) last year's carry forward total	l	122	—
Less valuation objections claimed in the previous year	m	—	(1)
<b>Sub-total</b>	n = (l + m)	<b>122</b>	<b>(1)</b>
<b>Total permissible income</b>	o = k + n	<b>5,585</b>	<b>5,393</b>
Less notional general income yield	p	5,462	5,271
<b>Catch-up or (excess) result</b>	q = o – p	<b>123</b>	<b>121</b>
<b>Carry forward to next year <sup>6</sup></b>	t = q + r + s	<b>123</b>	<b>121</b>

### Notes

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

#### Wentworth Shire Council

To the Councillors of Wentworth Shire Council

### Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Wentworth Shire Council (the Council) for the year ending 30 June 2021.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting – update number 28 (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 2020 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 2020.

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

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

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

I have nothing to report in this regard.

### The Councillors' Responsibilities for the Schedule

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

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

### Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

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

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



Manuel Moncada

Delegate of the Auditor-General for New South Wales

20 November 2020  
SYDNEY

## Wentworth Shire Council

### Report on Infrastructure Assets as at 30 June 2020

Asset Class	Asset Category	Estimated cost			2019/20 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council	Required maintenance <sup>a</sup>				1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
<b>Buildings</b>	Buildings	1,717	1,717	400	391	–	71,538	40.0%	35.0%	20.0%	5.0%	0.0%
	<b>Sub-total</b>	<b>1,717</b>	<b>1,717</b>	<b>400</b>	<b>391</b>	<b>33,354</b>	<b>71,538</b>	<b>40.0%</b>	<b>35.0%</b>	<b>20.0%</b>	<b>5.0%</b>	<b>0.0%</b>
<b>Other structures</b>	Other structures	154	154	5	4	3,480	5,314	30.0%	50.0%	15.0%	5.0%	0.0%
	<b>Sub-total</b>	<b>154</b>	<b>154</b>	<b>5</b>	<b>4</b>	<b>3,480</b>	<b>5,314</b>	<b>30.0%</b>	<b>50.0%</b>	<b>15.0%</b>	<b>5.0%</b>	<b>0.0%</b>
<b>Roads</b>	Sealed roads	4,439	4,439	800	592	84,777	184,950	35.0%	50.0%	10.0%	5.0%	0.0%
	Unsealed roads	202	202	1,335	1,064	4,946	5,606	20.0%	20.0%	20.0%	20.0%	20.0%
	Bridges	442	442	5	1	6,948	12,632	40.0%	50.0%	5.0%	5.0%	0.0%
	Footpaths	75	75	193	132	2,973	6,215	45.0%	45.0%	8.0%	2.0%	0.0%
	Bulk earthworks	–	–	–	–	190,611	190,611	100.0%	0.0%	0.0%	0.0%	0.0%
	Kerb	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	<b>Sub-total</b>	<b>5,158</b>	<b>5,158</b>	<b>2,333</b>	<b>1,789</b>	<b>290,254</b>	<b>400,014</b>	<b>66.1%</b>	<b>25.7%</b>	<b>5.2%</b>	<b>2.8%</b>	<b>0.3%</b>
<b>Water supply network</b>	Water supply network	9,355	9,355	407	488	–	56,698	15.0%	40.0%	15.0%	20.0%	10.0%
	<b>Sub-total</b>	<b>9,355</b>	<b>9,355</b>	<b>407</b>	<b>488</b>	<b>29,904</b>	<b>56,698</b>	<b>15.0%</b>	<b>40.0%</b>	<b>15.0%</b>	<b>20.0%</b>	<b>10.0%</b>
<b>Sewerage network</b>	Sewerage network	3,662	–	250	139	–	46,646	15.0%	20.0%	45.0%	5.0%	15.0%
	<b>Sub-total</b>	<b>3,662</b>	<b>–</b>	<b>250</b>	<b>139</b>	<b>18,701</b>	<b>46,646</b>	<b>15.0%</b>	<b>20.0%</b>	<b>45.0%</b>	<b>5.0%</b>	<b>15.0%</b>
<b>Stormwater drainage</b>	Stormwater drainage	318	318	111	107	–	24,482	25.0%	55.0%	18.0%	2.0%	0.0%
	<b>Sub-total</b>	<b>318</b>	<b>318</b>	<b>111</b>	<b>107</b>	<b>14,816</b>	<b>24,482</b>	<b>25.0%</b>	<b>55.0%</b>	<b>18.0%</b>	<b>2.0%</b>	<b>0.0%</b>
<b>Open space / recreational assets</b>	Swimming pools	513	513	58	71	1,919	3,019	0.0%	0.0%	70.0%	30.0%	0.0%
	Playgrounds	31	31	9	16	–	662	30.0%	35.0%	25.0%	7.0%	3.0%
	<b>Sub-total</b>	<b>544</b>	<b>544</b>	<b>67</b>	<b>87</b>	<b>1,919</b>	<b>3,681</b>	<b>5.4%</b>	<b>6.3%</b>	<b>61.9%</b>	<b>25.9%</b>	<b>0.5%</b>

#### (a) Report on Infrastructure Assets - Values



Report on Infrastructure Assets (continued)  
as at 30 June 2020

Asset Class	Asset Category	Estimated cost to bring assets agreed level of service set by Council		2019/20 Required maintenance <sup>a</sup>	2019/20 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000					1	2	3	4	5
Other infrastructure assets	Weir, Wharf Banks	542	542	112	8	–	13,386	35.0%	55.0%	5.0%	5.0%	0.0%
	Sub-total	542	542	112	8	10,640	13,386	35.0%	55.0%	5.0%	5.0%	0.0%
	TOTAL - ALL ASSETS	21,450	17,788	3,685	3,013	403,068	621,759	51.6%	29.5%	11.7%	4.9%	2.2%

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

Infrastructure asset condition assessment 'key'

- 1

Excellent/very good
- 2

Good
- 3

Satisfactory
- 4

Poor
- 5

Very poor
- No work required (normal maintenance)
- Only minor maintenance work required
- Maintenance work required
- Renewal required
- Urgent renewal/upgrading required

Wentworth Shire Council

Report on Infrastructure Assets (continued)  
as at 30 June 2020

\$ '000	Amounts 2020	Indicator 2020	Prior periods 2019      2018		Benchmark
Infrastructure asset performance indicators (consolidated) *					
Buildings and infrastructure renewals ratio <sup>1</sup>					
Asset renewals <sup>2</sup>	7,843	103.05%	73.58%	58.53%	>=100.00%
Depreciation, amortisation and impairment	7,611				
Infrastructure backlog ratio <sup>1</sup>					
Estimated cost to bring assets to a satisfactory standard	21,450	5.32%	5.59%	6.83%	<2.00%
Net carrying amount of infrastructure assets	403,068				
Asset maintenance ratio					
Actual asset maintenance	3,013	81.76%	98.32%	79.91%	>100.00%
Required asset maintenance	3,685				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	17,788	2.86%	3.71%	4.53%	
Gross replacement cost	621,759				

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

(1) Excludes Work In Progress (WIP)

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

Report on Infrastructure Assets (continued)  
as at 30 June 2020

\$ '000	General fund 2020	2019	Water fund 2020	2019	Sewer fund 2020	2019	Benchmark
<b>Infrastructure asset performance indicators (by fund)</b>							
<b>Buildings and infrastructure renewals ratio <sup>1</sup></b>							
Asset renewals <sup>2</sup>							
Depreciation, amortisation and impairment	<b>113.78%</b>	90.35%	<b>7.58%</b>	0.00%	<b>104.33%</b>	0.00%	>=100.00%
<b>Infrastructure backlog ratio <sup>1</sup></b>							
Estimated cost to bring assets to a satisfactory standard	<b>2.38%</b>	2.71%	<b>31.28%</b>	30.00%	<b>19.58%</b>	20.00%	<2.00%
Net carrying amount of infrastructure assets							
<b>Asset maintenance ratio</b>							
Actual asset maintenance	<b>78.80%</b>	97.39%	<b>119.90%</b>	126.32%	<b>55.60%</b>	64.08%	>100.00%
Required asset maintenance							
<b>Cost to bring assets to agreed service level</b>							
Estimated cost to bring assets to an agreed service level set by Council	<b>1.63%</b>	1.90%	<b>16.50%</b>	16.44%	<b>0.00%</b>	7.86%	
Gross replacement cost							

(1) Excludes Work In Progress (WIP)

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



# WENTWORTH SHIRE COUNCIL

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