

. 2020-20

WENTWORTH SHIRE COUNCIL WORTH THE DRIVE



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Wentworth Shire Council would like to acknowledge the Traditional Custodians of the Land and pay its respects to Elders past, present and emerging.



### **COMMUNITY SNAPSHOT: WENTWORTH SHIRE COUNCIL**

### **Population**

Total: 6,799 (2016 Census)



### By locality

Wentworth 1,437 | Gol Gol 1,525 | Buronga 1,215 | Coomealla 826 | Dareton 505 | Boeill Creek 102 | Mourquong 78 | Other localities 1,111

### By age





Industry Sector	Wentworth (A) (2019 Release1			
	\$M	%		
Agriculture, Forestry& Fishing	\$283,438	24.3%		
Manufacturing	\$204,518	17,6%		
Mining	\$189,784	16,3%		
Rental, Hiring & Real Estate Services	\$75,194	6.5%		
Remai, mining & Real Estate Services	313,134	0,070		
Top 4 Industry sectors based of	on employme	nt*1		
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Top 4 Industry sectors based o	on employme	nt *1 th (A)		
Top 4 Industry sectors based o	Wentwork (2019 Rele	nt *1 th (A) ase 1)		
Top 4 Industry sectors based of Industry Sector Agriculture, Forestry & Fishing	wentword (2019 Rele Jobs	nt *1 th (A) ase 1) %		
Top 4 Industry sectors based of Industry Sector	Wentwork (2019 Rele Jobs 789	nt *1 th (A) ase1) %		

<sup>&</sup>lt;sup>2</sup> Source www.remplan.com.au.au

<sup>\*</sup>Data collected from Remplan and ABS



# WENTWORTH SHIRE COUNCIL ANNUAL REPORT 2020-2021 INDEX

Mayor and General Manager's foreword	6
Organisation Overview	9
2020-2021 Financial Report	12
Annual Report and the Integrated Reporting Framework	16
Objective 1 - Wentworth is a vibrant, growing and thriving Shire Compliance with and effect of planning agreements Land Acquisition Inspections and sewer connections Development Applications by suburb	<b>19</b> 19 19 21 22
Objective 2 - Wentworth is a desirable Shire to visit, live, work and invest Compliance with Companion Animal Regulation Disability Inclusion Plan Grants Library Service Operation Visitor Service Operation	24 27 28 33 35
Objective 3 - Wentworth is a community that works to enhance and protect its physical and natural assets  Environmental Upgrade Agreement Capital Expenditure Review Update Recovery and Threat Abatement Plans Projects Council Assets	37 37 37 39 39



### **INDEX CONTINUED**

Objective 4 - Wentworth is a caring, supportive and inclusive community that is	
informed and engaged in its future	48
Report on activities funded by a special rate variation	48
Rates and charges written off	48
Contracts over \$250,000	49
Councillor Expenses	50
Councillor Attendance at Conferences, Seminars or Training	51
Costs of legal proceedings	51
Resolution for works carried out on private land	52
Partnerships where Council held a controlling interest	52
Statement of corporations, partnerships, trusts, joint ventures, syndicates or other bodies	
(incorporated or not) in which the council participated during the year	52
Council's contributions to others	53
Equal Employment Opportunity Management Plan	54
General Manager's Remuneration Package	54
Senior Staff (Combined) Remuneration Package	54
Swimming Pool Inspections	55
GIPA Act Report 2020-2021	55
Public Interest Disclosure Act 1994 and Regulation 2011	55
Annual Financial Statements	56





### MAYOR AND GENERAL MANAGER'S FOREWORD

It brings great pleasure as Mayor to present the Wentworth Shire Council 2020-2021 Annual Report.

Together with Councillors, our General Manager and Staff we have made it through another challenging year much like we did in 2019-2020, disrupted heavily by the COVID-19 pandemic and its associated lockdowns and border closures.

Within Council there has been its own upheaval, I didn't start this term with aspirations of holding my current office but with the resignation of my predeccessor Melisa Hederics during the past financial year the Mayorship was a role I've been honoured to take on.

I pay tribute to the support of Councillors since Cr Hederics' resignation in October 2020 particularly my Deputy Mayor Tim Elstone.

Throughout the past year we have had a strong focus on delivering projects that benefit all communities across our region.

The upgrade of Wentworth Aerodrome's runways is a particular source of pride for Council, a cornerstone project for our region.

Projects such as the Dareton Streetlight Upgrade, Junction Park Fitness Equipment, and playgrounds at James King Park and the Buronga Riverfront among others will provide much benefit to the community for years to come.

With significant future funding by the NSW Government into

health resources in the region such as \$30 million for the Wentworth Health Service, \$250,000 for the refurbishment of Dareton Health's facility and with the commencement of construction on the Buronga HealthOne facility it is a great time to be living and working in the Wentworth Shire.

We, along with our dedicated Council management team and employees, look forward to what the future holds.

Councillor Susan Nichols Mayor

Ken Ross General Manager



### **YOUR COUNCIL**



Cr Susan Nichols - Mayor



Cr Tim Elstone - Deputy Mayor



Cr Greg Evans



Cr Steve Heywood



Cr Jane MacAllister



Cr Don McKinnon



Cr Peter Nunan



Cr Bill Wheeldon



Cr Melisa Hederics\*

<sup>\*</sup> Cr Hederics resigned from Council on 27 October 2020.



### **Councillor meeting attendance**

In this financial year there were 12 Ordinary Council Meetings, 2 Extraordinary Council Meetings and 5 Internal Audit and Risk Management Committee Meetings.

Councillor Melisa Hederics resigned from Wentworth Shire Council on 27 October 2020.

An Extraordinary Council Meeting was held on 9 November 2021 at which Councillor Susan Nichols was elected Mayor for the remaining Council term.

Councillor	Ordinary Council Meetings	Extraordinary Council Meetings	Internal Audit and Risk Management Meetings
Cr Susan Nichols (Mayor)	12	2	5
Cr Tim Elstone (Deputy Mayor)	12	2	3
Cr Greg Evans	10	2	4
Cr Steve Heywood	11	2	N/A
Cr Jane MacAllister	11	2	5
Cr Don McKinnon	9	1	N/A
Cr Peter Nunan	11	1	3
Cr Bill Wheeldon	11	2	N/A
Cr Melisa Hederics	4	N/A	1

Wentworth Shire Council Values: Honesty and Integrity | Accountability and Transparency | Respect | Quality | Commitment



### **ORGANISATION OVERVIEW**

**GENERAL MANAGER** 

Advocacy and Lobbying Mayor and Councillor Support Human Resources Executive Services Media and Communications Civic Service Library/Visitor Information Work Health and Safety

EXECUTIVE SERVICES/MEDIA AND COMMUNICATION

**HUMAN RESOURCES** 

### DIRECTOR ROADS AND ENGINEERING

Assets
Parks and Gardens
Water and Waste Water
Civil Projects
Technical Services
Infrastructure Projects
Engineering Services
Roads
Depot

### **DIRECTOR FINANCE AND POLICY**

Finance
Customer Service
Organisational Support
Risk and Governance
Waste and Resource
Recovery
Information Technology
Stores
Records

### DIRECTOR HEALTH AND PLANNING

Strategic Development Building Surveying Development Assessment Environmental Health Compliance Companion Animals Reserves/Land Tenure

### **Executive team**



Ken Ross General Manager

Commenced as General Manager 20 May 2019 (started at Wentworth Shire Council in 2002), 36 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), 31 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), 21 years' experience in financial management in public operations.

Holds a 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, 8 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 staff Demographics**

- Full time equivalents = 109.25
- Bands as described in the Local Government (State) Award 2020
  - o Band 1 = Operational Band
  - o Band 2 = Administration/Trade/Technical
  - o Band 3 = Professional/Specialist
  - o Band 4 = Executive

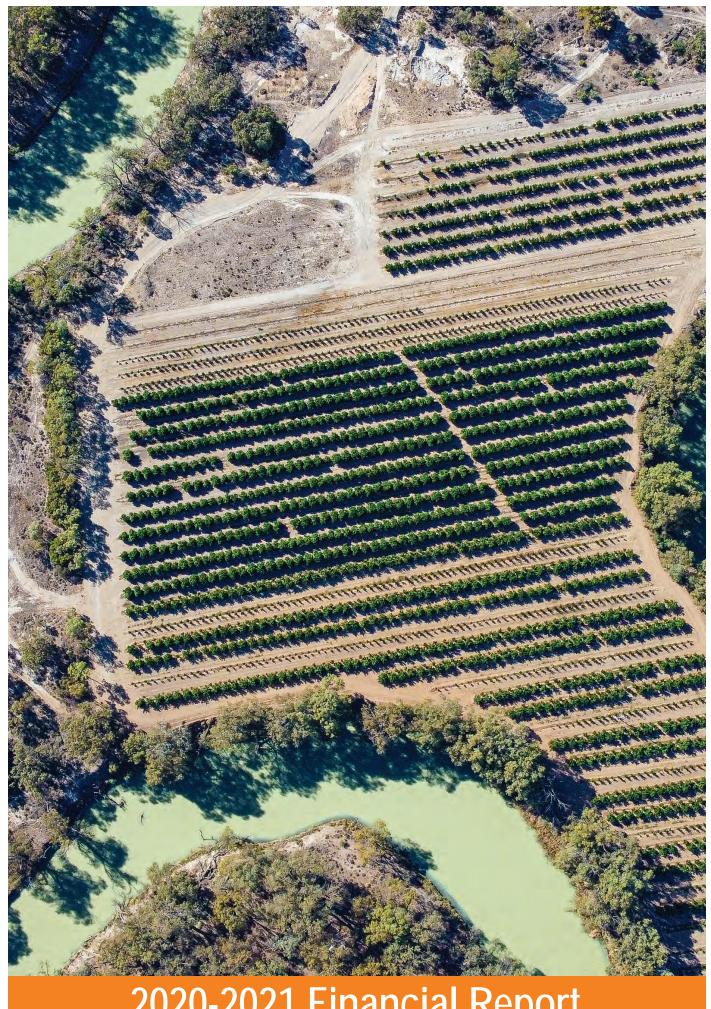
2020-2021	Band 1	Band 2	Band 3	Band 4	GM/Senior Staff	Total
Permanent full time - female	1	16	5	0	0	22
Permanent full time – male	39	22	10	2	4	77
Permanent part time – female	3 (FTE = 1.64)	11 (FTE = 7.43)	1 (FTE = 0.64)	0	0	15
Permanent part time – male	0	1 (FTE = 0.54)	0	0	0	1
Casual - female	0	3	0	0	0	3
Casual - male	1	1	3	0	0	5
Total	44	54	19	2	4	123

#### **Tenure**

Tenure of employment years	<1	1-3	4-6	7-9	10-19	20-29	30-39	40+
Employees	24	40	21	11	15	5	4	3
Total	20%	32%	17%	9%	12%	5%	3%	2%

### 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
Female	0	4	5	5	10	10	6
Male	1	4	26	8	13	22	9
Total	1%	6%	25%	10%	19%	26%	13%



2020-2021 Financial Report

### 2020-2021 FINANCIAL REPORT

The 2020-2021 financial year resulted in Wentworth Shire Council posting a \$12,527,000 surplus, this was an increase of \$4,892,000 on the 2019-2020 result, and was \$598,000 more than what was originally budgeted.

Revenue for the year was \$3,385,000 up on the previous year. Notable revenue figures included user fees and charges exceeding budget expectations by \$2,556,000 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 \$3,501,000 on last financial year, this was driven largely by an increase in capital grants of \$3,424,000 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 has been heavily impacted by the significant reduction of interest rates that occurred during recent years.

The current cash rate has remained at 0.10% for more than 12 months. While Council's investment portfolio has remained relatively stable during the financial year Council's interest and investment revenue for 2020-2021 fall by \$341,000. This was also impacted by the NSW Government's decision to freeze interest rates on overdue rates and annual charges for 6 months during the financial year. The approximate impact to Council was approximately \$80,000.

Expenditure for the year increased by \$1,507,000, 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. Council was able to reduce its depreciation and amortisation expense by \$864,000 as it continues to review the useful lives of its assets. Council's interest in the Far West Joint Organisation decreased by \$219,000

#### **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 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 2020-2021 financial year.

Council has been fortunate that the direct net impact of the pandemic on operations for the 2020-2021 financial year was approximately \$120,000. Indirectly Council has experienced significant delays in the delivery of a number of projects caused by supply chain issued as a result of reduced working capacity and/or shutdown of suppliers.

Council has also seen a significant increase in the cost of materials in recent months and expects this to continue for some time to come.

#### **Balance Sheet**

The balance sheet details a summary of Council's total assets, liabilities and total equity as at 30 June 2021. The net assets of Council (total assets less total liabilities) have increased by \$13,107,000 during the 2020-2021 financial year.

Total current assets have increased by \$8,044,000. Infrastructure property plant and equipment increased by \$11,489,000, 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 \$4,600,000 due mainly to an increase in contract liabilities as at 30 June which reflects that large amount of capital grant income that Council has been paid in advance of undertaking the working. Non-current liabilities increased by \$1,607,000 due mainly to a \$1,490,000 increase in the borrowings.

### Available Cash and Cash Equivalents

The available working capital of Council has decreased from \$2,413,000 at 30 June 2020 to \$2,363,000 at 30 June 2021. Investments increased by \$10,030,000 to \$36,030,000.

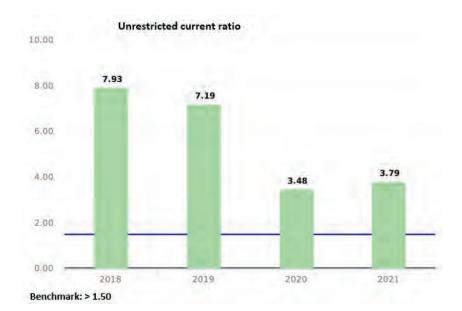
It is considered that \$2,363,000 is more than adequate to manage day to day operating requirements and provides Council with capacity to respond to unforeseen events and opportunities.

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	2021 \$'000	2020 \$'000
Income Statement Total income from continuing operations	\$40,306	\$36,921
Total expenses from continuing operations	\$27,779	\$29,286
Operating result from continuing operations	\$12,527	\$7,635
Net operating result for the year	\$12,527	\$7,635
Net operating result before grants and contributions provided for capital purposes	\$803	(\$665)
Statement of financial position Total current assets	\$42,700	\$34,656
Total current liabilities	(\$11,985)	(\$7,385)
Total non-current assets	\$455,007	\$443,737
Total non-current liabilities	(\$8,359)	(\$6,752)
Total equity	\$477,363	\$464,256
Other financial information Unrestricted current ratio (times) Operating performance ratio (%)	3.79 3.12%	3.48 (2.25)%
Debt service cover ratio (times)	14.41	18.86
Rates and annual charges outstanding ratio (%)	9.74%	11.42%
Infrastructure renewals ratio (%)	203.92%	103.05%
Own source operating revenue ratio (%)	44.97%	49.49\$
Cash expense cover ratio (months)	20.14	15.55

Reserves Transfer Schedule 2020-2021							
Reserve	Opening Balance \$'000	Transfer to Reserve \$'000	Transfer from Reserve	Closing Balance			
Employee Leave Entitlements Reserve	\$2,448	\$57		\$2,505			
Developer Contribution Reserve	\$640	\$23		\$663			
Plant Replacement Reserve	\$1,500			\$1,500			
Future Development Reserve	\$1,113		\$37	\$1,076			
Unexpended Grants Reserve	\$3,561	\$897		\$4,458			
Capital and Major Projects Reserve	\$1,000	\$200		\$1,200			
T-Corp Loan Balance	-	\$2,000	\$643	\$1,357			
Crown Land Reserve	\$333		\$75	\$258			
Bank Guarantee Reserve	\$3			\$3			
Doubtful Debts	\$115	\$10		\$125			
Trust Account	\$576	\$55		\$631			
Cemeteries Fees Received in Advance	\$505	\$34		\$539			
TOTAL	\$11,794	\$3,276	\$755	\$14,315			





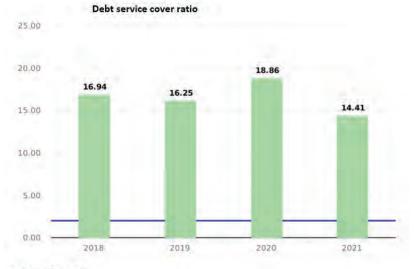
#### **Financial Indicators**

There are a number of key ratios included in the financial reports that provide an indication of liquidity and financial capacity of Council.

#### **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 increased during the 2020-2021 financial year to 3.79x and continues to be well above the benchmark ratio.

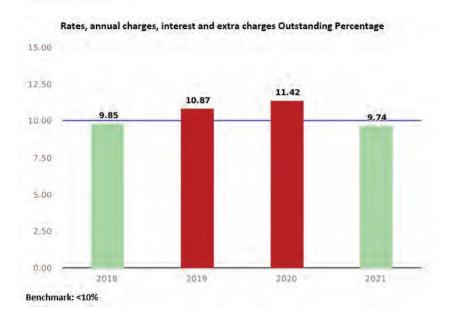


#### **Debt Service Cover Ratio**

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.

Benchmark: >2.00



# 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 & extra charges collectible.

The benchmark figure for this ratio is 10%. Council's ratio improved from 11.42% to 9.74% in 2020-2021.



### **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 2020-2021 was 3.12%.

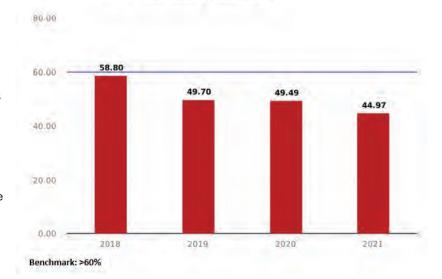


#### Own source operating revenue ratio

### **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.

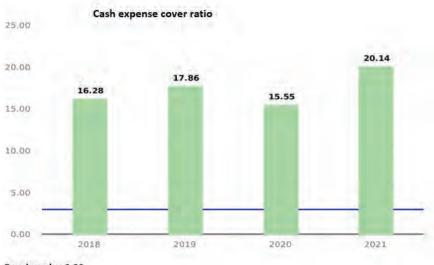
The benchmark figure for this ratio is 60%. The ratio for 2020-2021 decreased to 44.97%.



### **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.



Benchmark: >3.00

# Annual report and the Integrated Planning and Reporting Guidelines





### THE INTEGRATED PLANNING AND REPORTING FRAMEWORK

The Local Government Act 1993 requires Councils across New South Wales to implement an Integrated Planning and Reporting Framework, which serves 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 refect any changes in the priorites 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 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 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 Councl's 2020-2021 Operational Plan and the 2017-2027 Delivery Program.

#### The 2027 vision

The consultation and engagement activities undertaken to inform the Wentworth Shire 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 towards achieving this vision, four stategic objectives (below) have been developed around the quadruple bottom line, which aims to balance the social, environmental, economic and governance aspects of the Strategic Plan.

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 2020-2021 financial year to support the community in achieving the 2027 vision.











### STATUTORY REPORTING REQUIREMENTS



- denotes a requirement under the Office of Local Government's Annual Report Checklist



For the 2020-2021 reporting period there were nil planning agreements in place.

### **Land acquisition**

Local councils have broad roles and responsibilities in their communities, including the provision of facilities and the supply of public services.

It is recognised Wentworth Shire Council will need to acquire land on occasion to achieve its role and responsibilities as its community's needs change. Any Council decision to acquire land must be made by a resolution of council at a Council meeting.

Evidence of this resolution must be provided 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 excercising any of its functions under the Act.

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 the current land acquisitions approved in the 2020-2021 financial year.



Land acquisition	Location	Purpose	Date Council approved commencement
Wentworth Aerodrome expansion	Renmark Rd, Wentworth	Airport Aerodrome Expansion	January 2020
Drainage access	Kookaburra Drive, Dareton	Access to essential stormwater infrastructure	November 2020
IGA Service Road & Sewer pipe extension	Hendy Road/Sturt Highway, Buronga	Public road and sewer infrastructure	November 2020, June 2021
Drainage Basin 4 (Bunneys Pump)	Sturt Highway, Gol Gol	Stormwater & associated infrastructure	November 2020
Wilga Road	Wilga Road, Buronga	Road extension	December 2020
Water main extension	Sturt Highway, Mourquong	Access to water supply pipeline	November 2020

Below: Wentworth Aerodrome upgrade, February 2021





### Inspections for building control operations

In the 2020-2021 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.

430 inspections were carried out during the reporting period, 37 less than the 2019-20 financial year. These peaked in July 2020 with 47 inspections that month alone, with the quietest month being October with just 26 inspections.

#### **Sewer Connections**

During the 2020-2021 financial year Council approved 62 sewer connections as well as 10 amendments. This was an increase from the previous financial year of approximately 85% where Council approved 29 sewer connections as well as 10 amendments.

#### **Septic Tank Connections**

In the reporting period Council approved 29 septic tanks and eight amendments.

#### **Water Meter Connections**

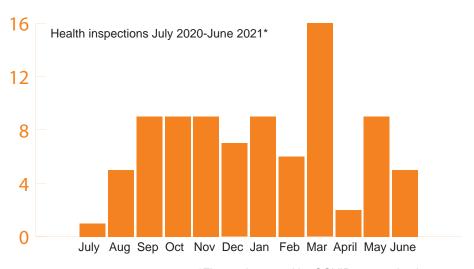
In 2020-2021 Council issued 83 water meters. This is an increase from the 2019-20 financial year by approximately 32% where Council issued 63 water meters.

### **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.

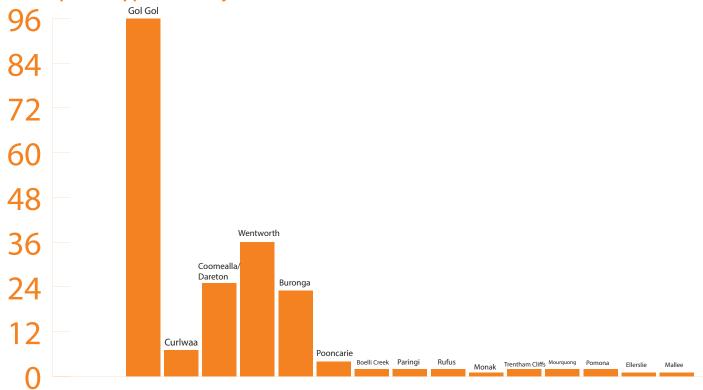
During the reporting period Council's Environmental Health inspector carried out 87 inspections, as shown by the graph to the right.



\*Figures impacted by COVID-19 pandemic



#### **Development Applications by suburb**



During the 2020-2021 reporting period 178 Development Applications (DA's) were approved. The chart above shows the majority of development occured in Gol Gol with 96 applications approved. Wentworth followed this with 36 DA's and Buronga had 23 DA's.

There were 36 approvals to modify Development Consents during this period.

During the 2020-2021 financial year Council saw 44 new residential lots created, compared to 140 for the 2019-20 financial year. This figure shows subdivision applications dropped by 69% during the reporting period.

#### **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 412 planning certificates, three less than 2019-20.

### Complying Development Certificate

A Complying Development

Certificate (CDC) is a form of planning and building approval issued by an accredited building certifier - either a private certifier or a Council.

This certificate combines approval for use of the land and the building construction works.

During the 2020-2021 reporting period 76 CDCs were issued.

#### **Construction Certificates**

A Construction Certificate (CC) confirms the construction plans, development specifications and the construction are consistent with the development consent, and comply with the Building Code of Australia and any other Council requirements.

During the 2020-2021 financial year 144 CCs were issued.



#### **Dareton revitalised**

The Our Town Our Future Dareton Revitalised Strategy has been developed in response to community passion and interest in revitalising the township.

The Strategy focuses on identifying issues and constraints that may be limiting or causing stagnation of the township and creating achievable actions that will reinvigorate the town and unlock its true, yet concealed potential.

The Strategy focuses on a mix of land use controls, infrastructure servicing, commercial renewal, demographic data, opportunities and constraints, specific site assessments and community input to improve the liveability and visual aesthetics of Dareton.

Dareton has been experiencing an overall decline in population and an increase in an ageing population, consistent with rural trends state wide.

Over 55% of the population fall into the over 40 year age cohort with almost a quarter of the population over 65 years of age.

With over 38% of the population identifying as being of Aboriginal or Torres Strait Islander descent, the township contains a library of cultural history and knowledge.

The commercial precinct is traversed by the Silver City Highway which includes high volumes of traffic and a lack of pedestrian crossings, lighting and visual appeal.

The Strategy has been developed to respond to those issues and to address improvements in connectivity, increase development opportunities, attraction of new economic investment, social infrastructure and public recreation land.

The Strategy also assesses nine key sites that provide opportunity for new or adaptive reuse that present an increase in opportunities for growth and prosperity of the township.

The Strategy was endorsed by Council at its July 2021 meeting following public consultation between March and April 2021.



### STATUTORY REPORTING REQUIREMENTS

- denotes a requirement under the Office of Local

Government's Annual Report Checklist



Companion Animal Regulation

The 2020-2021 Financial year was a time of so much uncertainty for many.

Although Council has continued its strong working relationship in such unprecedented time with many of its rescue groups including: Starting Over Dog Rescue and Sunraysia Animal Rehousing Group (SARG) only to mention a few.

Council's relationship with these groups is a necessary one, evidenced by the number of rescued animals.

Responsible pet ownership and community education programs within our Local

Government Area are important to Wentworth Shire Council.

Such community education includes information about the importance of de-sexing, vaccinations, microchipping and registration of pets.

A Proposed Indigenous animal health day which included these factors was postponed due to COVID19 and the restrictions imposed by NSW Public Health Orders.

Wentworth Shire Council will proceed with the Indigenous Animal Health Day once restrictions are lifted.

Dogs play a key role in Australian indigenous communities and are often highly valued for companionship. Under Section 64 of the Companion Animals Act, Companion animals that are seized by Council Rangers which are not permanently identified are conveyed to the Buronga Animal Shelter where they are kept for seven days. If identified, animals are kept for 14 days where every effort is made to contact the rightful owners if the animal is registered.

Within the Local Government Area over the 2020-2021 financial year, all complaints relating to companion animal management were investigated by Council Rangers.

Four dog attacks were reported and investigated.

Most attacks centred on livestock in outlying areas.



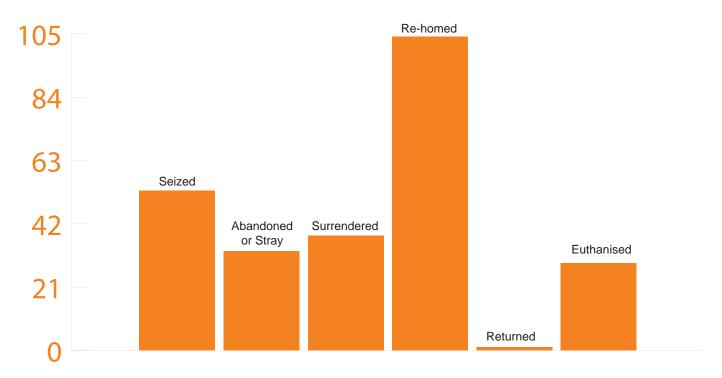
All barking/nuisance animals were dealt with in an expedient manner focusing on management of the issues.

Wentworth Shire Council understands the need to provide off-leash areas for dogs to run freely, with expansions in the LGA further investigations will be undertaken to find a suitable

locations.

The total amount of expenses associated with Council's companion animal management and activities was \$211,609.63. The expenditure covers animal shelter maintenance, veterinary services, operating costs and salaries.

### **Companion Animal Statistics - Cats**



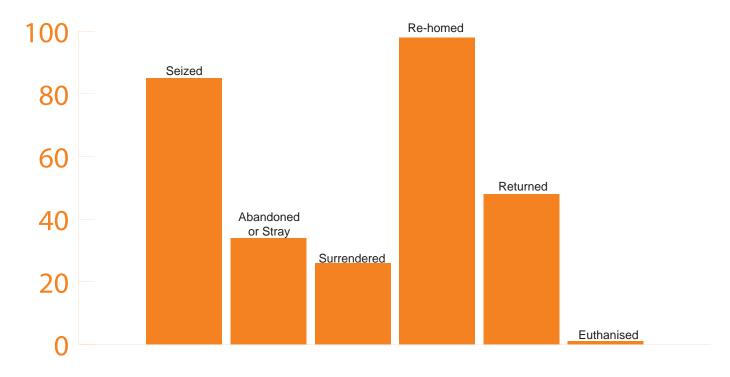
For the 20-21 Financial year, Council had a total of 134 Cats in our facility.

The table above shows that 53 Cats were seized, 33 were abandoned or strays and 38 cats were surrendered to Councils custody.

Of the 134 cats, 104 were re-homed, 1 was returned to its owner, and 29 were euthanised as they were assessed to be feral and unsuitable for re-homing.



### **Companion Animal Statistics - Dogs**



For the 20/21 financial year Council had a total of 144 dogs in our facility.

The table below shows that 85 dogs were seized, 34 were abandoned or strays, 26 were surrendered to Council's custody.

Of the 144 dogs, 98 were re-homed, 45 were returned to their owners and only 1 was euthanised for humane reasons.









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 popup 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 2020-2021 include:

### **Strategy 1.1 Ensure public consultation is undertaken**

### Action: Surveys and Feedback

Council continues to provide all information seeking community input on its website. Council's advertising in the local

newspaper includes 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 2.3 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 in Buronga, Gol Gol and Dareton. Council continues to focus on ensuring that pedestrian access and mobility is monitored on an annual basis and that improvements, upgrades and new infrastructure cater for the needs of people with a disability.

#### **Action: Libraries**

Wentworth Shire Libraries continued to increase and upgrade its stock of large-print, audio and digital products available for borrowers during the 2020-2021 financial year.

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

#### **Action: Technology**

Council's Disability Inclusion Plan continues to be available to the public on Council's website. Council is currently undertaking an audit of its websites against the Web Content Acessibility Guidelines.

### Strategy 4.3 Communicate effectively to the public

### **Action: Communication**

Council continues to increase its social media presence through Facebook, where information is provided in basic English wherever possible. The weekly Community Noticeboard advertisement in Sunraysia Daily each Saturday also helps increase the range of information available about Council's activities in an easy to read format, as does the Council Connects newsletter which is available on Council's website and in the NSW Standard following each Ordinary Council meeting.

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.

Council has also recently updated its Community Engagement Strategy to help guide future consultation and engagement with all sectors of the community.



### **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 for a number of projects in 2020-2021.

This page details the grant funding approved through the SCCF for the reporting period.

**Junction Park Fitness Equipment** SCCF funding: \$37,447 Other contributions: nil



Junction Park fitness equipment

Wentworth Rowing Club **SCCF funding:** \$199,187 Other contributions: \$20,000 (community funding)

> **Wentworth Extended Daycare SCCF funding:** \$391,364

SCCF funding: \$391,304
Other contributions: \$279,058 (Building Better

Regions Fund).





Buronga Riverfront Nature Play Area (Buronga Riverfront Stage 2)

### **Local Roads and Community Infrastructure program**

The Local Roads and Community Infrastructure (LRCI) program supports local councils to deliver priority local road and community infrastructure projects across Australia, supporting jobs and the resilience of local economies to help communities bounce back from the COVID-19 pandemic.

This page details grant funding Wentworth Shire Council has attained for projects through the LRCI for the 2020-2021 financial year.

Wentworth Sheet Piling LRCI funding: \$200,000 Other contributions: nil

> **Buronga Riverfront Stage 2** LRCI funding: \$100,000 Other contributions: nil

**Wentworth Showground Tower and Shade** 

**Structure** 

**LRCI funding:** \$250,000 Other contributions: nil

**Wentworth Library Outdoor Riverfront** 

**Gathering** 

**LRCI funding:** \$487,539 Other contributions: nil



### **Wentworth Shire Libraries Grant**

### New and Replacement Book Stock

During the financial year of 2020-2021, Wentworth Shire Libraries spent \$45,733 on new and replacement books, MP3s, DVDs, Magazines, eBooks, Audiobooks and Large Print Books.

Hundreds of new items in our libraries were borrowed thousands of times to over 1,500 members.

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.

#### **Special programs**

During the 2020-2021 financial year, programs proceeded with tentative caution due to COVID-19.

Fortunately all programs were able to go ahead with new restrictions and safety procedures adhered to.

Money was set aside to purchase new public computers, unfortunately due to global supply chain shortages, these computers were unable to be delivered within the 20/21 financial year. This meant that the library underspent their budget on programs and special projects, but will look to rectify this in the coming year.

#### Other expenditure:

17/8/2020 - ALIA Training

- Cataloguing Basics (Staff Training)
13/10/2020 - Archival Storage Unit for Local History Books
18/03/2021 - Puppet Show School Transport
2/4/2021 - Book Prizes
08/04/2021 - Family Fun Day
14/04/2021 - Music Workshops x 3
31/05/2021 - Enviro EDU
Wildlife Workshops x 2
28/6/2021 - Crafts and Games

### Regular grant funding

General Assistance Grant - \$6,478,350

Road Safety Officer Grant - \$48,618

Bushfire Prevention Grants - \$196,200

Hazard Reduction Grants - \$8,100

RFS- ESL Grant - \$126,493

Youth Week Grant - \$2,287

Noxious Weeds & Pest Grants - \$37,405

Library Subsidy - \$77,453

Roads to Recovery Program - \$1,067,700

Main Road Block Grant -\$1,335,930 3x3 Program - \$137,000

Traffic Facilities - \$62,000



\*Artist's impression only. This may not reflect the final design

### **Willow Bend Caravan Park**

Willow Bend Caravan Park abuts the Darling River in Wentworth.

Wentworth Shire Council leases the land from the Crown in order to provide a Public Caravan Park in Wentworth.

Council manages the park which has received the following grants in recent years:

- \$130,000 from the **Drought Communities** Extension Fund to update the Camp Kitchen
- \$1,000,000 from the Crown Reserves Improvement Fund towards the Willowbend Caravan Park Redevelopment.

On top of this Council has also

been granted a \$1.5 million loan.

Works have been planned to replace and upgrade power, water and sewerage infrastructure and construct a new laundry and kitchen.

Willow Bend Caravan Park will close from 31 January 2022 for upgrade works to start on 1 February 2022.

Wentworth Shire Council decided at the 26 May, 2021 Extraordinary Meeting to close the park for upgrade works to proceed following consultation with the Caravan Park Managers.

This was in preference to the previously anticipated twostage approach in order to streamline the construction phase and cause less

disruption to the caravan park business.

With the recent announcement of grant funding from the **Drought Community Extension** Fund and Crown Reserve Improvement Fund Council can now facilitate the required upgrade in a single stage approach.



### **2021 Australia Day Award Recipients**

The Wentworth Shire's 2021 Australia Day award winners were:

Citizen of the year: Alan McKenzie

Young Citizen of the Year: **Montana Norris** 

Environmental Award:
Wentworth Rotary Club
Op Shop

Young Sportsperson of the Year: **Noel Doidge** 







### **OPERATIONS**



### **Library Service Operation**

Wentworth Shire Libraries run three branches located in Buronga at the Midway Centre, Dareton on Millie Street and Wentworth on Murray and Short Street.

There is a serviced outpost at Pooncarie, with books available for residents to loan, as well as an eLibrary that can be accessed 24/7 by all members.

After a disruptive start to 2020, the 2020-2021 financial year was a tentative one regarding face-to-face library operation.

Whilst the libraries were fortunate enough to return

to programs and re-open, there were many new health restrictions in place and big learning curves for the staff and the community.

The Wentworth Historical Society were able to return to work at the Wentworth branch, and have continued to work tirelessly on a book acknowledging the servicemen and women of our region.

During 2020-2021 we had some wonderful programs, workshops and events.

Our Family Fun day at the Wentworth Library during the April school holidays was a hit with face painting and a jumping castle to keep the

### By the numbers

**Total memberships:** 2,271

**Patron visits** 

Wentworth: 5,461 Dareton: 1,379 Buronga: 3,302 Total: 10,142

Items borrowed

Wentworth: 7,257 Dareton: 1,600 Buronga: 5,692 Pooncarie: 58 eLibrary: 3,685 Total: 18,292

Wi-Fi sessions: 2,405 with a weekly average download of 6.2gb

PC sessions: 1,121

In-person programs: 287 with 3,824 attendees

Online programs: 23 with

3,706 views

New and replacement book stock: \$41,692 (Books, audiobooks, DVDs, magazines, Large Print, eBooks and eAudiobooks)



children entertained.

Later in the year we had Little Wing Puppets tour our area with their show 'A Little Bit of Blue' and the library facilitated visits to Gol Gol, Wentworth and Pooncarie.

The puppet show at Pooncarie was a huge success, with Pomona, Palinyewah and School of the Air students joining in on the entertainment, followed by a sausage sizzle.

Other highlights included a visit from EnviroEDU, with wildlife workshops featuring live native animals and some wonderful music workshops where children were able to try the drums and ukulele.

Our programs and membership remain free to all members of our community.

- Wentworth Shire Libraries team

### **Programs and services**

- •Tech Savvy Seniors
- Book Club
- •Toddler story time
- •School holiday activities
- Social sewing
- •Tai Chi
- •Contactless deliveries
- Library App for use on Smartphones &

- Tablet devices
  •Free Wi-Fi and
- internet usage
  •Xbox One for use
  in Library
- •Border Permit applications

### **HIGHLIGHTS**



• April 2021: Family Fun Day



 March 2021: Puppet shows for Gol Gol, Wentworth, Palinyewah Pomona and Pooncarie public schools



 April 2021: Music workshops for Children

Other highlights included a Wildlife Workshop with Enviro EDU in June 2021 and

an online reptile session with Reptile Encounters in October 2020.



May 2021: Space-themed teddy bear sleepover



Financial year visitor statistics							
Year 2020-2021		Trend	Monthly Avg				
Domestic	Local	International	% +/-	745			
7,894	1,033	7	32.70%	740			

### **Visitor Service Operation**

The Wentworth Visitor Information Centre saw a rise in visitation numbers after the first COVID 19 nation wide lockdown.

This is reflected in the overall statistics with the number being the highest since the 2017/18 financial year. Although the visitation increased, the local tourism industry again struggled with the impact of the COVID-19 pandemic and the uncertainty of travel restrictions.

#### **Events**

Major events in our region were cancelled or postponed such as the triennial Wentworth Junction Rally, Wentworth Show, Flying Doctor Rowathon, Pooncarie and Wentworth Races, Safari Rally, Murray Darling 110 and the Christmas Eve Street party.

These events are reliant on local and interstate visitors and due to the COVIID restrictions imposed; interstate travellers were unable to attend or participate.

The decision was made to cancel the Wentworth Tractor Rally for July 2021.

This event is heavily reliant

on interstate participants and the length of time required to prepare for an event of this magnitude and the uncertainty of future COVID restrictions deemed it not viable to be held.

Community groups began to organise Australia Day celebrations, only to be cancelled when rules imposed on holding events in NSW becoming too difficult to implement.

The 2021 Wentworth Shire Council Australia Day Awards Celebration was held at Midway Centre, Buronga, involving 58 attendees including nominees and nominators, their invited guests and Mayor Susan Nichols and Council staff.

While Covid-19 provided many challenges in the planning stages, the event was deemed a success by all involved.

Late 2020 saw the start of the planning process for the 77th National Murray Darling Association Annual Conference and AGM.

The theme was 'Connecting Catchment and Community 'and saw a dedicated team of Council staff work together with local community groups to host a magnificent 4 day

event.

The Conference was held 16-19 May 2021 with over 200 delegates representing 18 NSW Shires, stakeholders and exhibitors and featured a showcase of local artists from the Wentworth Makers, Government exhibitors and displays from Council.

The delegates enjoyed a 4 hour dinner cruise on the paddleboat 'Mundoo', afternoon tea on the PS Ruby and the civic reception held at the Old Wentworth Gaol.

Other successful events held in 2020-2021 include the Junction Junk Easter Garage Sale, ARB Pooncarie Desert Dash, Pooncarie Gymkhana and Bikehana and the Sunraysia Sports Aircraft Club Fly In.

#### **Tourism & Promotion**

During the reporting period, Wentworth Shire Council and the Visitor Information Centre were able to actively promote the region as a tourism destination through various forms of print and electronic media.

In collaboration with various tourism industry bodies, further promotion throughout the states and territories such as 'Love the Murray' with



Murray Regional Tourism and 'Destination Inspiration' with Destination Riverina Murray. Regular local promotion occurred through the Sunraysia Daily, NW Standard and Radio Old Gold.

Wentworth Shire Council Visitor Information Centre staff participated in a number of virtual regional and cross border forums, annual general meetings and regular accreditation communications.

Many promotional and

information packs were collated and distributed to various groups and events highlighting the attractions, touring routes, accommodation and tour providers, festivals and events.

#### **Visitation**

Visitors numbers in the reporting period fluctuated due to the ongoing covid-19 situation but overall reported a rise of 32% on the previous period. The traditionally busiest months; August, September

and October all saw a slight drop in numbers accredited to the loss of major events to the region.

The highest number of visitors came from the NSW regions, with many travelling to the area for the first time.

Numbers reflected in the statistics are based solely on numbers recorded at the Visitor Information Centre, actual visitation to the region is estimated to be at least 30% higher.



• May 2021: The Murray Darling Association National Conference in Wentworth. Picture: Michael Blyde



Concept design for the entrance to the redeveloped Wentworth Civic Centre

# STATUTORY REPORTING REQUIREMENTS



- denotes a requirement under the Office of Local Government's Annual Report Checklist



For the 2020-2021 reporting period there were nil environmental upgrade agreements in place.



# Wentworth Civic Centre Redevelopment

Council allocated funding within the 2020-2021 Operational Plan for the upgrade of the Wentworth Shire Civic Centre. The upgrade was identified as a significant capital project.

GSD Architects have been engaged to manage various phases of the redevelopment including planning, design, procurement, construction, and commissioning.

Council endorsed Concept 8 for the Wentworth Shire Civic Centre on 18 December 2019. Concept Plans with finish selections were placed on public exhibition from 24 May to 4 June 2021.

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 2019-2020 Public Library Infrastructure Grant.

Council were successful in a funding application of \$941,023 ex. GST for the relocation of the Wentworth Visitor Information Centre to the Civic Centre, as part of Round 7 of the Resources for Regions Program.

Council were also successful in their nomination of the Wentworth Library Outdoor Riverfront Gathering Space (Library Courtyard) as a project under Phase 2 of the NSW Government Local Roads and Infrastructure Program Extension, with funding in the amount of \$487,539 approved.

Funding in the amount of \$713,339 was approved for the Wentworth Community Space and Convention Centre within the third round of the Federal Government's Economic Development Program.

Council lodged an application for funding in the amount of \$713,339 with Building Better Regions – Round 5 on 12 March 2021, for the Wentworth Community Space and Convention Centre. Funding announcements were recently released whereby Council

# WENTWORTH SHIRE COUNCIL



Aerial footage of the Wentworth Aerodrome Redevelopment

was successful, pending formalisation of a deed of agreement.

Council was also in the process of submitting an application for funding for the amount of \$900,000 under the Regional Tourism Activation Fund for the Wentworth Interpretive Centre Development.

Successful projects are expected to be announced in November 2021.

Redevelopment of the Civic Centre building will be presented by way of two tenders being:

**Stage 1** – Construction of the Library Courtyard for the Wentworth Shire Civic Centre;

**Stage 2** – Redevelopment of the Wentworth Shire Civic Centre.

**GSD** Architects are

currently progressing tender documentation for the construction and fit out of the building, including fixture lists and "For Tender Issue" drawings and specifications.

# Wentworth Aerodrome Upgrade

NSW Treasury confirmed in May 2019 that Council was successful in securing \$8,420,000 in Restart funding though 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.

The works include the construction of a new runway for Runway 08/26 and redevelopment of the existing 08/26 Runway to a parallel taxiway, plus upgrading 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).

Following confirmation from the funding body Restart NSW, Council were successful in gaining approval to utilise project savings to construct the remaining 600m length of the secondary runway 17/35.

Works were due to commence in September 2021 with an anticipated completion date of February 2022. On completion of the works, both runways will be fully sealed with 24 hour access.

Wentworth Shire Council Annual Report 2020-2021





For the 2020-2021 reporting period there were nil Recovery and Threat Abatement Plans in place.

# **ENGINEERING PROJECTS**







### **Trentham Cliffs Water Install**

Estimated completion:
December 2021
Funded by the developer with council making a contribution
Installation of new filtered water main from the Gol Gol Water
Treatment Plant to the soon to be constructed RV park and truck stop at Trentham Cliffs

### **Wentworth Riverfront BBQ Area**

Estimated completion: January 2022

Funded under the Local Roads & Community Infrastructure Program

New playground being constructed at the water front adjacent to recently built BBQ facilities



#### **Dareton Traveller's Rest**

**Estimated completion: January 2022** 

Funded under the Local Roads and Community Infrastructure Program with the Coomealla Memorial Sporting Club making a contribution

Supply and construction of a Traveller's Rest pergola consisting of historical interpretive panels, stencilled concrete and circular pebble crete pathway to incorporate the existing monument and new War Memorial.

# **Sewer Rationalisation Project Wentworth**

Estimated completion: March 2021
Restart NSW and Council funded
Final stage of rationalising the Wentw

Final stage of rationalising the Wentworth Sewerage scheme, which includes decommissioning the sewerage treatment plant

# Wentworth Riverfront Wall Remediation

Estimated completion: To be determined - river currently too high. Funder under the Local Roads and Community Infrastructure Program Stabilising the riverfront at Wentworth to protect the area from deterioration

# Wentworth Showground Tower and Shade Structure

Estimated completion: To be determined - working with tower manufacturer on delivery date.

Funded under the Local Roads and Community Infrastructure Program Installation of new replacement race tower and shade structure for Wentworth Showground

### **Wentworth Sporting Complex**

Estimated competion: January 2022 Funded via the Stronger Country Communities program and Council contribution

Replacement bowling green to be installed at the Wentworth Sporting Complex



Wentworth Riverfront Wall Remediation



# **ROADS PROJECTS**

## **Transport for New South Wales Projects**

IGA Development of kerb and channel and asphalt overlay for TfNSW - \$376,685 (Completed November 2020)

Heavy patching (12 sites on Sturt Highway and Silver City Highway) - \$207,929 (Completed November 2020)

HW14 Seg40 Project (Stage 1) 1.5km of full reconstruction on the Sturt Highway (East of Gol Gol) - \$1,725,000 (Completed July 2021)

## **NSW Fixing Country Roads**

High Darling Road first 6.5km of reconstruction and seal north of the Silver City Highway - \$1,031,500 (Completed July 2021)

Mallara Street, Pooncarie 600m reconstruction and seal from McKinlay Street to Tarcoola Street - \$173,850 (Completed February 2021)

### **Roads to Recovery**

Ivanhoe Road Pan Ban (Overnewton) 8km natural form up from Overnewton's south grid to 7.2km south of the Shire boundary - \$358,024 (Completed November 2020)

Milpara Road - reconstruction and seal 6.2km west of Silver City Highway to Anabranch Mail Road - \$731,242 (Completed August 2021)

Garston Road - reconstruction and seal 3.5km Lower Darling Road to High Darling Road - \$455,460 (Completed March 2021)





## **Local Roads and Community Infrastructure**

Golf Course Road, Dareton from River Road for 900m (Completed October 2020) - \$113,000

Adelaide Lane, Gol Gol reform and seal (including stormwater upgrade) from King Street to Tapio Street - \$93,000 (Completed November 2020)

High Darling Link reconstruction and seal for 2.5km from Garston Road to Knob Road - \$320,000 (Completed May 2021)

### **PLUS**

\$636,275 under the repair program for additional 4km work on Arumpo Road

\$401,855 for Roads To Recovery for pavement resealing amounting to 53.5km.



# **COUNCIL ASSETS**

## **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 highways.

Some key statistics relevant to the management of the local, rural and regional roads is provided below:

Road Conditions		Length/Number	Annual Maintenance Costs	New Assets
	Sealed	379.89km	\$2,053,434	\$0
Local Roads	Unsealed	1286.58km	\$689,188	\$0
	Bridges/Major Culverts	10	\$23,540	\$0
	Roads Ancillary (Footpaths, signs etc)	N/A	\$142,395	\$349,493
	Sealed	219.11km	\$1,746,462	\$0
Regional Roads	Unsealed	141.98km	\$273,897	\$0
rtodds	Bridges/Major Culverts	1	\$0	\$0
	Roads Ancillary (Footpaths, signs etc)	N/A	\$1,645	\$0

### Waste disposal 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 on the next page 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	26,619	881.8	14,533
Dareton	95.94	41.56	661
Pomona	36.3	4	127
Wentworth	271.18	118.3	2283
Ellerslie	468.3 *	41.56	N/A
Pooncarie	99.41 *	12	N/A

<sup>\*</sup>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.

## Parks and gardens

There are nine 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 each year.

#### **Ovals**

- Alcheringa Oval (Carramar Drive Sporting Complex, Gol Gol)
- E. L. Watmuff Oval, Curlwaa (right)
- George Gordon Oval, Dareton
- McLeod Oval, Wentworth
- Pooncarie Oval, Pooncarie
- Wentworth Showgrounds

#### **Public Halls**

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

### **Boat Ramps**

Curlwaa



- Dareton
- Fort Courage
- James King Park
- Log Bridge (two ramps)
- Pomona
- Pooncarie
- Wentworth Ski Reserve
- Wentworth Wharf

#### **Public toilets**

- Pitman Avenue, Buronga
- Buronga Wetlands

- Alcheringa Oval
- Midway Centre
- Curlwaa Rest Area
- O'Donnell Park, Curlwaa
- · Lions Park, Dareton
- Kuhn Square, Dareton
- George Gordon Oval, Dareton
- Coomealla Memorial Gardens Cemetary
- Gol Gol Cemetary
- James King Park, Gol Gol
- Wilkinson Park, Gol Gol

# WENTWORTH SHIRE COUNCIL



Dareton Swimming Pool upgrades -- including re-tiling and painting

- Fruit Fly Rest Area, Silver City Highway
- Milpara Rest Area
- Bunnerungee Rest Area, Seven Trees Rest Area, Silver City Highway
- Mine Site Bin Rest Area, Silver City Highway
- Bottle Bend Rest Area
- Mallee Fowl Rest Area
- Taplin Mail Route Rest Area, Sturt Highway
- Trentham Rest Area
- White Elephant Rest Area, Sturt Highway
- Darling Street, Wentworth

- Fotherby Park, Wentworth
- Junction Park, Wentworth
- McLeod Oval/Wentworth Skate Park
- Shire Offices
- Strother Park, Wentworth
- Wentworth Sporting Complex
- Wentworth Ski Reserve
- Arumpo Rest Area
- Perry Sandhills
- Pomona Hall

### **Barbecues**

Buronga Wetlands x2

- Fotherby Park, Wentworth
- James King Park, Gol Gol x2
- Junction Park, Wentworth x 2
- Lions Park, Dareton
- O'Donnell Park, Curlwaa x3
- Tapio Park, Dareton x 3
- Wentworth Skate Park x2

### **Swimming Pools**

- Dareton
- Wentworth



# STATUTORY REPORTING REQUIREMENTS



- denotes a requirement under the Office of Local Government's Annual Report Checklist



Council did not have any activities funded via a special rate variation in the 2020-2021 financial year.



Rates and charges	2020-2021
General rates and interest	\$1,076
Water	\$2,316
Sewage	\$16
Total	\$3,408





Contractor	Contract	Value (including GST)
Advanced Airport Lighting Pty Ltd	Supply of Taxiway and Apron Flood Lighting Wentworth Aerodrome (Variation to exisiting contract)	\$330,400
Bott Civil Pty Ltd	High Darling Road Reconstruction Works	\$531,400
Bott Civil Pty Ltd	Milpara Road Reconstruction Works	\$512,763
FWG Contracting (Vic) Pty Ltd	Wentworth Riverfront Houseboat & Rowing Club Moorings	\$545,545
Mallee Quarries Pty Ltd	DGB20 Class 1 Road Base Material Supply & Delivery	\$856,460
Mildura Truck Centre	Purchase of Landfill 11m³ Tipping Truck & 12m³ Dog Tipping Trailer	\$351,889
Primal Surfacing Pty Ltd	Wentworth Aerodrome Bitumen Asphalt & Linemarking Works	\$1,023,600
Primal Surfacing Pty Ltd	Wentworth Aerodrome Stage 2 Bitumen Asphalt & Linemarking Works	\$782,334
Roger Bath Concreting Pty Ltd	Wood Street Gol Gol & Pitman Avenue Buronga Shared Path	\$313,500
Rosmech Sales and Service Pty Ltd	Purchase of Regenerative Air Sweeper	\$373,317
Tutt Bryant Equipment	Purchase of Landfill Compactor	\$709,500
Tutt Bryant Equipment	Purchase of Landfill 20-30 Tonne Hydraulic Excavator	\$285,010
Waters Excavation Pty Ltd	Supply of Class 3 Road Base Material Stage 2 Wentworth Aerodrome (Variation to exisiting contract)	\$254,855





During the 2020-2021 financial year, the following payment of expenses and provision of facilities were provided to Councillors.

Councillors Payment of Expen	ses and Provision of Facilities
Provision of dedicated office equipment allocated to Councillors	\$0
Telephone calls made by Councillors, including internet costs	\$6,948
Attendance of Councillors at conferences and seminars (see table below)	\$18,801
Training of Councillors and provision of skill development	\$0
Interstate visits by Councillors including transport, accommodation and other out of pocket travelling expenses	\$11,041
Overseas visits by Councillors	\$0
Total Councillor expenses and facilities	\$36,790

## **Administration statistics**

Administration statistics	
Incoming calls	23,283
Incoming Emails	20,463
Incoming Post	2,664
Walk-ins (Wentworth)	1,013
Walk-ins (Midway Centre)	537
Total Customer Requests	2,049
Property Transfers	273

Note - Council's offices were closed for face-to-face requests for periods duing the coronavirus pandemic.



# Councillor Attendance at Conferences, Seminars or Training

Professional Development Opportunity	Nichols	Elstone	Evans	Heywood	MacAllister	McKinnon	Nunan	Wheeldon	Hederics
Murray Darling Association National Conference & Annual General Meeting September 2020 Video Conference	-	-	-	V		1	-	-	-
Local Government NSW Water Management Conference October 2020 Video Conference	-	-	-	V	-	-	-	-	-
Australian Local Government Association Special Local Roads & Transport Congress November 2020 Wagga Wagga NSW	-	-	-	V	-	-	-	-	-
Western Division Councils of NSW Annual Conference April 2021 Broken Hill NSW	V	-	V	V	V	-	-	-	-
Murray Darling Association National Conference & Annual General Meeting May 2021 Wentworth NSW	V	V	<b>√</b>	V	<b>√</b>	-	-	-	-
LGNSW Executive Certificate for Elected Members (paid in advance course extended to 2022)	-	-	-	-	<b>√</b>	-	-	-	-

# Costs of legal proceedings

Council received a range of legal services over the 2020-2021 financial year, including:

- Legal advice and costs associated with various land acquisitions (ongoing)
- Legal costs associated with management of Native Title
- Legal costs associated with Council Reserves Plans of Management (PoM)
- Legal costs associated with debt recovery of unpaid rates
- Legal costs associated with management of Crown Land and reserves (ongoing)
- Legal costs associated with preparation of a new lease for Buronga Caravan Park

Legal Services	\$
Acquisitions	\$22,000
Native Title	\$21,500
Plans of Management	\$18,000
Debt Collection	\$3,000
Crown Land/Reserve	\$3,000
Caravan Park	\$500
Total <b>Total</b>	\$68,000





### Resolution for works carried out on private land

Council did not undertake any works on private land during the 2020-2021 financial year.



## Partnerships where Council held a controlling interest

Council did not have any partnerships where it held a controlling interest during the 2020-2021 financial year.



Statement of corporations, partnerships, trusts, joint ventures, syndicates or other bodies (incorporated or not) in which the council participated during the 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 400O
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:

- Establish strategic regional priorities for the joint organisation area, and to develop strategies and plans for delivering these priorities;
- 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;
- Enhancing strategic capacity to support member councils to deliver services to their communities; and
- Service delivery to provide services directly to communities in the region.

The Far West Joint
Organisation comprises
Broken Hill City Council and
the Shires of Balranald, 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 Broken Hill City Council & Wentworth Shire Council and the Administrators of

- Balranald Shire Council and Central Darling Shire Council.
- Four (4) non-voting members being the General Managers of the member Councils
- Three (3) appointed nonvoting 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 2020-2021 financial year, Council was not required to make any monetary contributions to the Far West Joint Organisation.



# Council's contribution 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 servvices, events, awards and projects delivered within the community.

To support these community groups Wentworth Shire Council allocates funding each financial year under Council's Donations, Contributions and Grants program.

For the 2020-2021 financial year Council allocated just over \$152,000 to the following organisations:

#### Notes:

- (1) Registered Schools (including preschools and kindergartens) operating within the Wentworth Shire are granted automatic fee waivers for the hire of any Council venue (hall, meeting room). Any preparation costs (such as line marking of ovals) will be charged at standard cost. Bookings must still be made.
- (2) Public Schools operating within the Wentworth Shire end of year presentation day, up to a maximum of \$50.00 per school

<u>~</u>	
Organisation/Recipient	\$ value
Alcheringa Saints Basketball Club	\$3,000
Australian Inland Botanical Gardens	\$45,900
Buronga Gol Gol Senior Citizens Club	\$2,369
Cobar Shire Council	\$100
Combined Churches Group	\$101
Coomealla High School	\$50
Dareton Senior Citizens Club	\$10,711
Dareton Community Creative Centre Inc.	\$4,020
Dareton Kennel Club	\$210
Darling Junction Country Women's Association	\$233
Gol Gol Hawks Football Netball Club	\$387
Gol Gol Public School	\$230
Koori Kids	\$250
Men In A Shed	\$1,760
Murray House Aged Care	\$5,035
Murray House Fundraising Committee	\$202
New South Western Standard Bulletin	\$7,317
Northwest Rail Alliance Inc.	\$310
NSW Rural Doctors Network	\$3,300
Outback Mobile Resources Unit	\$46
OzFish Unlimited Limited	\$2,500
Palinyewah Public School	\$2,100
Pomona Public School	\$100
Pooncarie Hospital Reserve Trust	\$114
Rotary Club of Wentworth Inc	\$1,143
Rotary Wentworth Op Shop	\$10,884
St John's Anglican Ladies Guild	\$92
Sunraysia Aero Modellers Club	\$354
Sunraysia Motorsports Club Inc	\$5,000
Wentworth Bowling Club Inc	\$800
Wentworth District Community Bank	\$46
Wentworth District Community Medical Group	\$5,000
Wentworth District Pre-School	\$814
Wentworth District R.S.L Sub Branch	\$7,510
Wentworth District R.S.L Sub Branch Women's Auxiliary	\$233
Wentworth Makers	\$46
Wentworth Military Collection Inc.	\$5,000
Wentworth Pioneer Homes Committee	\$4,112
Wentworth Public School	\$300
Wentworth Racing Club	\$5,000
Wentworth Rowing Club	\$2,000
Wentworth Senior Citizens Club	\$3,146
Wentworth Shire Interagency Group	\$360
Wentworth Sporting Complex Golf Club	\$250
West Darling Arts	\$9,632
Total	\$152.067





## **Equal Employment Opportunity Management Plan**

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 of 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, martial 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.

A number of policies, staff induction program and training opportunities supports Equal Opportunity.

Our EEO policy is reviewed in-line with legislative requirements and is accessible to all staff through Council's record management system (Content Manager).

Council ensures nondiscriminatory practices in Human Resource processes including (but not limited to):

- Council follows a transparent, merit based recruitment process.
- EEO principles are embedded in all steps of the recruitment process: position descriptions; advertisements; decisions on where to advertise; establishment of the interview panel; selection tests; shortlisting; medical examinations; job offer and induction.
- Vacant positions are advertised via a range of communication platforms.
- A Human Resources representative sits on the interview panels to ensure fairness and equity in all interviews.
- Employment packs are provide to new employees prior to starting work at Council. The pack includes a statement of Council values and Code of Conduct.
- Medical assessments
   are used in the selection
   process to assess the
   physical fitness of the
   candidate for the position
   and identify any risks to the
   candidate in performing job
   tasks. This information is
   used to identify reasonable
   adjustment and ensure we
   are not placing candidates
   at risk of harm or injury.

Council is bound by a number of legislative requirements

including but not limited to:

- NSW Anti-Discrimination Act 1977
- Commonwealth Racial Discrimination Act 1975
- Commonwealth Fair Work Act 2009
- Commonwealth Sex
   Discrimination Act 1984
- Commonwealth Human Rights and Equal Opportunity Commission Act 1986
- Commonwealth Disability Discrimination Act 1992
- Local Government Act 1993



GM'S Remuneration	\$
Salary component	\$250,457
Superannuation	\$26,437
Non-cash benefits	\$10,000
Total	\$286,895



Senior Staff Remuneration	\$
Salary component	\$544,474
Superannuation	\$51,725
Total	\$596,198





Details of inspections of private swimming pools, including the number of inspections:

- Tourist and visitor accommodation: 2 Inspections with 2 Certificates of Compliance issued.
- Premises with more than 2 dwellings: none recorded
- Resulted in issuance a certificate of compliance under s22D of the SP Act: 16 Inspections with 11 Certificates of Compliance issued (some required re-inspections).
- Resulted in issuance a certificate of non-compliance under cl 21 SP Reg: 1 inspection associated with 1 Certificate of Non-Compliance



GIPA Requests	8
Applications granted in full	6
Information requested not held by Council	1
Applications withdrawn	1
Applications refused	0
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 of Section 33	0



# Public Interest Disclosure Act 1994 and Regulation 2011

Section 31 of the Public 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 responsible Minister.

A copy of this report is to be provided to the Ombudsman.

Wentworth Shire Council has an internal reporting policy in place which staff are made aware of on an annual basis and acknowledge they have made themselves familiar with its content.

Internal training is also performed by Council.

# ANNUAL FINANCIAL STATEMENTS

Year ending 30 June 2021

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2021

GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2021

## **General Purpose Financial Statements**

for the year ended 30 June 2021

Contents	Page
Understanding Council's Financial Statements	3
Statement by Councillors and Management	4
Primary Financial Statements:	
Income Statement	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Independent Auditor's Reports:	
On the Financial Statements (Sect 417 [2])	84
On the Financial Statements (Sect 417 [3])	87

#### 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 B1-2

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

## **General Purpose Financial Statements**

for the year ended 30 June 2021

## **Understanding Council's Financial Statements**

#### Introduction

Each year NSW local governments are required to present audited financial statements to their council and community.

#### What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2021.

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

#### **About the Councillor/Management Statement**

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

#### **About the Primary Financial Statements**

The financial statements incorporate five "primary" financial statements:

#### 1. The Income Statement

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

#### 2. The Statement of Comprehensive Income

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

#### 3. The Statement of Financial Position

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

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

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

#### 5. The Statement of Cash Flows

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

#### About the Notes to the Financial Statements

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

#### **About the Auditor's Reports**

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

In NSW the auditor provides 2 audit reports:

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

### Who uses the Financial Statements?

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

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

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

# General Purpose Financial Statements

for the year ended 30 June 2021

## Statement by Councillors and Management

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

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

- . the Local Government Act 1993 and the regulations made thereunder,
- · the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- · the Local Government Code of Accounting Practice and Financial Reporting.

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

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

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

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

Susan Nichols

Mayor

20 October 2021

Ken Ross

**General Manager** 

20 October 2021

Tim Elstone

**Deputy Mayor** 

20 October 2021

Simon Rule

Responsible Accounting Officer

20 October 2021

## **Income Statement**

for the year ended 30 June 2021

1. 1			A 1	A .
budget			Actual	Actua
2021			2021	2020
\$ '000		Notes	\$ '000	\$ '00
	Income from continuing operations			
8,900	Rates and annual charges	B2-1	9,164	8,82
5,026	User charges and fees	B2-2	7,582	7,79
1,266	Other revenue	B2-3	1,020	97
10,557	Grants and contributions provided for operating purposes	B2-4	10,384	10,30
10,605	Grants and contributions provided for capital purposes	B2-4	11,724	8,30
601	Interest and investment income	B2-5	245	58
_	Other income	B2-6	52	5
100	Net gains from the disposal of assets	B4-1	135	8
37,055	Total income from continuing operations		40,306	36,92
	Expenses from continuing operations			
9,997	Employee benefits and on-costs	B3-1	8,792	8,79
4.408	Materials and services	B3-2	9,553	10,62
266	Borrowing costs	B3-3	375	20
7,093	Depreciation, amortisation and impairment for	B3-4	8,077	8.94
·	non-financial assets		·	-,-
3,362	Other expenses	B3-5	763	62
_	Net share of interests in joint ventures and associates using the equity method	D2	219	10
25,126	Total expenses from continuing operations		27,779	29,28
11,929	Operating result from continuing operations		12,527	7,63
		uncil	12,527	

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

# Statement of Comprehensive Income

for the year ended 30 June 2021

	2021	2020
Notes	\$ '000	\$ '000
	12,527	7,635
C1-6	580	8,793
	580	8,793
-	580	8,793
	13.107	16,428
		Notes \$ '000  12,527  C1-6 580  580

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

# Statement of Financial Position

as at 30 June 2021

		2021	2020
	Notes	\$ '000	\$ '000
ASSETS			
Current assets			
Cash and cash equivalents	C1-1	12,393	10,413
Investments	C1-2	26,000	18,005
Receivables	C1-4	3,985	5,823
Inventories	C1-5	166	202
Other		156	213
Total current assets		42,700	34,656
Non-current assets			
Infrastructure, property, plant and equipment	C1-6	453,683	442,194
Intangible Assets	C1-7	184	184
Investments accounted for using the equity method	D2-1	1,140	1,359
Total non-current assets		455,007	443,737
Total assets		497,707	478,393
LIABILITIES			
Current liabilities			
Payables	C3-1	2,905	3,855
Contract liabilities	C3-2	6,318	1,056
Borrowings	C3-3	499	262
Employee benefit provisions	C3-4	2,263	2,212
Total current liabilities		11,985	7,385
Non-current liabilities			
Borrowings	C3-3	5,522	4,032
Employee benefit provisions	C3-4	241	236
Provisions	C3-5	2,596	2,484
Total non-current liabilities		8,359	6,752
Total liabilities		20,344	14,137
Net assets		477,363	464,256
EQUITY			
Accumulated surplus	C4-1	82,599	70,072
IPPE revaluation reserve	C4-1	394,764	394,184
Council equity interest		477,363	464,256
Total equity		477,363	464,256
1 7			

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 2021

		as at 30/06/21			as at 30/06/20		
			IPPE			IPPE	
	Notes	Accumulated surplus \$ '000	revaluation reserve \$ '000	Total equity \$ '000	Accumulated surplus \$ '000	revaluation reserve \$ '000	Total equity \$ '000
Opening balance at 1 July		70,072	394,184	464,256	62,998	385,391	448,389
Changes due to AASB 1058 and AASB 15 adoption		_	_	_	(561)	_	(561)
Restated opening balance		70,072	394,184	464,256	62,437	385,391	447,828
Net operating result for the year		12,527	-	12,527	7,635	-	7,635
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-6	_	580	580	_	8,793	8,793
Other comprehensive income		-	580	580	_	8,793	8,793
Total comprehensive income		12,527	580	13,107	7,635	8,793	16,428
Closing balance at 30 June		82,599	394,764	477,363	70,072	394,184	464,256

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

# Statement of Cash Flows

for the year ended 30 June 2021

Original unaudited budget 2021			Actual 2021	Actual 2020
\$ '000		Notes	\$ '000	\$ '000
	Cash flows from operating activities			
	Receipts:			
8,878	Rates and annual charges		9,391	8,699
4,986	User charges and fees		9,718	7,421
588	Investment and interest revenue received		237	707
18,655	Grants and contributions		26,248	15,946
997	Other		3,227	2,684
	Payments:			
(9,763)	Employee benefits and on-costs		(8,973)	(8,642)
(4,273)	Materials and services		(12,024)	(9,415)
(241)	Borrowing costs		(263)	(206)
(3,471)	Other		(1,347)	(3,426)
16,356	Net cash flows from operating activities	G1-1a	26,214	13,768
	Cash flows from investing activities			
	Receipts:			
_	Sale of investment securities		54,000	75,000
450	Sale of infrastructure, property, plant and equipment		314	279
400	Payments:		014	210
	Purchase of investment securities		(61,995)	(69,005)
(18,853)	Purchase of infrastructure, property, plant and equipment		(18,280)	(15,711)
	Net cash flows from investing activities			
(18,403)	Net cash nows from investing activities		(25,961)	(9,437)
	Cash flows from financing activities			
	Receipts:			
4,000	Proceeds from borrowings		2,000	_
	Payments:			
(362)	Repayment of borrowings		(273)	(245)
3,638	Net cash flows from financing activities		1,727	(245)
1,591	Net change in cash and cash equivalents		1,980	4,086
_	Cash and cash equivalents at beginning of year		10,413	6,327
1,591	Cash and cash equivalents at end of year	C1-1	12,393	10,413
.,	,			
_	plus: Investments on hand at end of year	C1-2	26,000	18,005
1,591	Total cash, cash equivalents and investments		38,393	28,418
1,001	. Sta. Sasti, Sasti Squitalonts and invoctinonts		30,333	20,710

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

# Contents for the notes to the Financial Statements for the year ended 30 June 2021

A About Council and these financial statements	12
A1-1 Basis of preparation	12
	45
B Financial Performance	15
B1 Functions or activities	15
B1-1 Functions or activities – income, expenses and assets	15
B1-2 Components of functions or activities	16
B2 Sources of income	17
B2-1 Rates and annual charges	17
B2-2 User charges and fees	18
B2-3 Other revenue	19
B2-4 Grants and contributions	20
B2-5 Interest and investment income	24
B2-6 Other income	24
B3 Costs of providing services	25
B3-1 Employee benefits and on-costs	25
B3-2 Materials and services	26
B3-3 Borrowing costs	26
B3-4 Depreciation, amortisation and impairment of non-financial assets	27
B3-5 Other expenses	28
B4 Gains or losses	29
B4-1 Gain or loss from the disposal, replacement and de-recognition of assets	29
	30
B5 Performance against budget	30
B5-1 Material budget variations	30
C Financial position	32
C1 Assets we manage	32
C1-1 Cash and cash equivalents	32
C1-2 Financial investments	33
C1-3 Restricted cash, cash equivalents and investments	34
C1-4 Receivables	35
C1-5 Inventories	37
C1-6 Infrastructure, property, plant and equipment	38
C1-7 Intangible assets	42
C2 Leasing activities	43
C2-1 Council as a lessee	43
C2-2 Council as a lessor	43
C3 Liabilities of Council	44
C3-1 Payables	44
C3-2 Contract Liabilities	45
C3-3 Borrowings	46
C3-4 Employee benefit provisions	48
C3-5 Provisions	50

# Contents for the notes to the Financial Statements for the year ended 30 June 2021

C4 Reserves	52
C4-1 Nature and purpose of reserves	52
D Council structure	53
D1 Results by fund	53
D1-1 Income Statement by fund	53
D1-2 Statement of Financial Position by fund	54
D2 Interests in other entities	55
D2-1 Interests in joint arrangements	55
E Risks and accounting uncertainties	58
E1-1 Risks relating to financial instruments held	58
E2-1 Fair value measurement	62
E3-1 Contingencies	68
F People and relationships	71
F1 Related party disclosures	71
F1-1 Key management personnel (KMP)	71
F1-2 Councillor and Mayoral fees and associated expenses	74
F1-3 Other related parties	75
F2 Other relationships	76
F2-1 Audit fees	76
G Other matters	77
G1-1 Statement of Cash Flows information	77
G2-1 Commitments	78
G3-1 Events occurring after the reporting date	78
G4 Statement of developer contributions as at 30 June 2021	79
G4-1 Summary of developer contributions	79
G4-2 Developer contributions by plan	79
G5 Statement of performance measures	80
G5-1 Statement of performance measures – consolidated results	80
G5-2 Statement of performance measures by fund	81
H Additional Council disclosures (unaudited)	82
H1-1 Financial review	82
H1-2 Council information and contact details	83

## A About Council and these financial statements

## A1-1 Basis of preparation

These financial statements were authorised for issue by Council on 20 October 2021. Council has the power to amend and reissue these financial statements 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* (Act) and *Local Government (General) Regulation 2005* (Regulation), and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not for-profit entity.

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

#### **Historical cost convention**

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

#### 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 2020/21 financial year and consider the impacts of Covid-19 in preparing these financial statements.

The potential impact of the pandemic on financial reporting for the year ended 30 June 2021 was assessed 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 Committments

The 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 2021 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 day events which would result in separate disclosures or adjustments to the 30 June 2021 financial results. Hence, 30 June 2021 financial statements were prepared on a going concern basis.

## A1-1 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 C1-6
- (ii) estimated tip remediation provisions refer Note C3-5
- (iii) employee benefit provisions refer Note C3-4

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

(i) Impairment of receivables

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

(ii) Tip Remediation Provisions

Council has used significant judgement in determining future Tip Remediation Provisions - refer Note C3-5

#### Monies and other assets received by Council

#### The Consolidated Fund

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

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

- General purpose operations
- Water service
- Sewerage service

#### 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 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 2021 reporting period.

## A1-1 Basis of preparation (continued)

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

Council's assessment of these new standards and interpretations (where they have been deemed as having a material impact on Council's future financial performance, financial position and cash flows) are set out below:

AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date

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

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

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

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

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

This Standard amends a number of standards as follows:

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

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

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

### 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 2020.

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

# B Financial Performance

## B1 Functions or activities

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

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

	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Functions or activities										
1. Wentworth is a vibrant, growing and										
thriving shire	934	907	2,551	2,437	(1,617)	(1,530)	61	_	16,346	15,225
2. Wentworth is a desirable shire to visit,						, ,				
live, work and invest	1,766	1,984	3,098	3,131	(1,332)	(1,147)	1,617	1,800	27,059	25,730
3. Wentworth is a community that works to enhance and protect its physical and										
natural assets	23,736	21,089	15,497	16,997	8,239	4,092	12,794	9,965	403,507	393,483
4. Wentworth is a caring, supportive and inclusive community that is informed and										
engaged in its future	13,870	12,941	6,633	6,721	7,237	6,220	7,636	6,842	50,795	43,955
Total functions and activities	40,306	36,921	27,779	29.286	12.527	7,635	22.108	18.607	497.707	478,393

### B1-2 Components of functions or activities

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

### B2 Sources of income

### B2-1 Rates and annual charges

	2021 \$ '000	2020 \$ '000
Ordinary rates		
Residential	2,082	1,985
Farmland	1,775	1,735
Business	1,559	1,521
Less: pensioner rebates (mandatory)	(44)	(45)
Less: pensioner rebates (Council policy)	(38)	(35)
Rates levied to ratepayers	5,334	5,161
Pensioner rate subsidies received	44	45
Total ordinary rates	5,378	5,206
Special rates		
Tourism	40	40
Rates levied to ratepayers	40	40
Total special rates	40	40
Annual charges		
(pursuant to s.496, s.496A, s.496B, s.501 & s.611)  Domestic waste management services	807	764
Water supply services	1,274	1,218
Sewerage services	1,711	1,640
Less: pensioner rebates (mandatory)	(57)	(59)
Less: pensioner rebates (Council policy)	(46)	(46)
Annual charges levied	3,689	3,517
Pensioner subsidies received:		
– Water	19	19
- Sewerage	17	18
<ul> <li>Domestic waste management</li> </ul>	21	22
Total annual charges	3,746	3,576
Total rates and annual charges	9,164	8,822

Council has used 2019 year valuations provided by the NSW Valuer General in calculating its rates.

#### **Accounting policy**

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

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are recognised within the underlying revenue item based on their substance.

### B2-2 User charges and fees

	Timing	2021 \$ '000	2020 \$ '000
Specific user charges			
(per s.502 - specific 'actual use' charges)			
Water supply services	2	1,466	1,411
Total specific user charges		1,466	1,411
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.6	608)		
Inspection services	2	17	15
Planning and building regulation	2	313	252
Private works – section 67	2	15	65
Regulatory/ statutory fees	2	81	_
Section 10.7 certificates (EP&A Act)	2	58	57
Section 603 certificates	2	29	28
Tapping fees	2	80	47
Total fees and charges – statutory/regulatory		593	464
(ii) Fees and charges – other (incl. general user charges (per s.60	<b>)</b> 8))		
Aerodrome	2	33	53
Caravan park	2	3	3
Cemeteries	1	76	63
Library and art gallery	2	_	1
Refuse and effluent disposal	2	-	1
RMS charges (state roads not controlled by Council)	2	3,033	3,612
Waste disposal tipping fees	2	2,310	2,122
Animal control	2	22	27
Other – road opening permits	2	9	4
Other - Water Licence	2	37	37
Total fees and charges – other		5,523	5,923
Total user charges and fees	_	7,582	7,798
Timing of revenue recognition for user charges and fees			
User charges and fees recognised over time (1)		76	63
User charges and fees recognised at a point in time (2)		7,506	7,735
Total user charges and fees		7,582	7,798

#### **Accounting policy**

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

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

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

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

#### B2-3 Other revenue

	Timing	2021	2020
		\$ '000	\$ '000
Commissions and agency fees	2	4	_
Diesel rebate	2	129	129
Insurance claims recoveries	2	182	109
Sales – general	2	1	4
Facilities revenue	2	402	418
Insurance rebates	2	54	50
Rural fire service reimbursements	2	15	15
Sales – miscellaneous	2	26	9
Other – other public works	2	3	3
Other – meter readings	2	7	8
Other	2	197	232
Total other revenue		1,020	977
Timing of revenue recognition for other revenue			
Other revenue recognised over time (1)		_	_
Other revenue recognised at a point in time (2)		1,020	977
Total other revenue		1,020	977

#### Accounting policy for other revenue

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

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

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

## **B2-4** Grants and contributions

		Operating 2021	Operating 2020	Capital 2021	Capita 2020
	Timing	\$ '000	\$ '000	\$ '000	\$ '00
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	2	2,111	2,112	_	
Financial assistance – local roads component	2	1,017	1,023	_	
Payment in advance - future year allocation	_	-,	1,000		
Financial assistance – general component	2	2,259	2,237	_	
Financial assistance – local roads component	2	1,092	1,087	_	
Amount recognised as income during current					
year		6,479	6,459		
Special purpose grants and non-developer					
contributions (tied)					
Cash contributions					
Previously specific grants:					
Pensioners' rates subsidies:					
Water supplies	2	_	_	772	1,54
Sewerage services	2	82	_	132	98
Bushfire and emergency services	2	343	309	2	
Animal Control	2	_	4	_	
Child care	2	_	_	33	
Economic development	2	_	6	757	
Community Services	2	_	2	_	
Environmental programs	2	_	_	1	22
_ibrary – per capita	2	54	54	_	
Library	2	6	_	_	
_ibrary – special projects	2	_	_	23	2
Noxious weeds	2	37	29	_	
Recreation and culture	2	_	_	1,463	1,68
Street lighting	2	39	43	_	
Transport (roads to recovery)	2	1,917	1,917	_	
Transport (other roads and bridges funding)	2	55	47	1,271	30
Aerodrome	2	_	_	5,648	1,48
Water transport	2	_	_	_	
Other	2	_	23	_	
Other specific grants (E-Planning Grant)	2	36	_	_	
Previously contributions:					
Roads and bridges	2	_	17	4	
Transport for NSW contributions (regional roads, block		4 000	4 007	400	4.0
grant)	2	1,336	1,397	199	19
Sewerage (excl. section 64 contributions)	2	-	_	20	
Water supplies (excl. section 64 contributions)	2	_	_	20	_
Other contributions	2				1
Fotal special purpose grants and non-developer contributions – cash		3,905	3,848	10,345	6,46
Non-cash contributions					
Dedications – subdivisions (other than by s7.4 and					
s7.11 – EP&A Act, s64 of the LGA)	2	_	_	606	95
Tourism ,	2	_	_	507	
Other	2	_	_	_	73
Fotal other contributions – non-cash		_	_	1,113	1,69
Total special purpose grants and					
non-developer contributions (tied)		3,905	3,848	11,458	8,15
• ,		,			, -

# B2-4 Grants and contributions (continued)

		Operating	Operating	Capital	Capital
		2021	2020	2021	2020
	Timing	\$ '000	\$ '000	\$ '000	\$ '000
Total grants and non-developer					
contributions		10,384	10,307	11,458	8,156
Comprising:					
- Commonwealth funding		8,397	8,376	3,421	412
– State funding		1,987	1,931	6,881	6,795
– Other funding				1,156	949
		10,384	10,307	11,458	8,156

# **Developer contributions**

	Notes	Timing	Operating 2021 \$ '000	Operating 2020 \$ '000	Capital 2021 \$ '000	Capital 2020 \$ '000
		9	Ψ 000	Ψ σσσ	Ψ σσσ	Ψ σσσ
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):	G4					
Cash contributions						
S 7.11 – Development Contributions Plan		2	_	_	18	5
S 64 – water supply contributions		2	_	_	56	51
S 64 – sewerage service contributions		2	_	_	190	87
Service Plan # 2		2			2	1
Total developer contributions – cash			_		266	144
Total developer contributions				<u> </u>	266	144
Total contributions					266	144
Total grants and contributions			10,384	10,307	11,724	8,300
Timing of revenue recognition for grants an contributions Grants and contributions recognised over time (1)	d		-	_	_	_
Grants and contributions recognised at a			40.204	40.207	44 704	0.000
point in time (2)			10,384	10,307	11,724	8,300
Total grants and contributions			10,384	10,307	11,724	8,300

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

### Unspent grants and contributions

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

	Operating	Operating	Capital	Capital
	2021	2020	2021	2020
	\$ '000	\$ '000	\$ '000	\$ '000
Unspent grants and contributions				
Unspent funds at 1 July	233	584	551	561
Add: Funds recognised as revenue in the reporting year but not yet spent in				
accordance with the conditions	875	_	-	_
Add: capital grants received and transferred to contract liabilities	_	_	5,279	551
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current				
year		(351)	(51)	(561)
Unspent funds at 30 June	1,108	233	5,779	551

Unexpended Capital Grants Include:

- · NSW State Library Infrastructure Grant
- Local Roads and Community Infrastructure Grant Projects
- · Fixing Local Roads Grant Projects
- Stronger Country Communities Fund Round 4 projects
- · Crown Land lomprovement fund projects.

#### **Contributions**

Unspent funds at 1 July	640	620	_	_
Add: contributions recognised as revenue in the reporting year but not yet spent in accordance with the conditions	23	20	_	_
Less: contributions recognised as revenue in previous years that have been spent during the reporting year	_	_	_	_
Unspent contributions at 30 June	663	640	_	_

Unexpended Contributions include Contributions received from developers in relation to:

- Development Contribution Plan; and
- Servicing Plan # 2.

#### **Accounting policy**

#### Grants and contributions - enforceable agreement with sufficiently specific performance obligations

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

The performance obligations vary according to the agreement but include:

- · Refund in cash or kind is required when the agreed specific performance has not occurred;
- · The customer, or another party acting on its behalf, has a right to enforce specific performance or claim damages;
- The customer has the right to take a financial interest in assets purchased or constructed by the entity with resources provided under the agreement;
- The parties to the agreement are required to agree on alternative uses of the resources provided under the agreement;
   and
- An adminstrative process exists to enforce agreements between sovereign States or between a State and another party.

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.

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

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

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

#### **Capital grants**

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

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

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

#### **Developer Contributions**

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979*.

While Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon receipt by Council, due to the possibility that individual development consents may not be acted upon by the applicant and, accordingly, would not be payable to Council.

Developer contributions may only be expended for the purposes for which the contributions were required, but the Council may apply contributions according to the priorities established in work schedules for the contribution plan.

#### Other grants and contributions

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

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

### B2-5 Interest and investment income

	2021	2020
	\$ '000	\$ '000
Interest on financial assets measured at amortised cost		
<ul> <li>Overdue rates and annual charges (incl. special purpose rates)</li> </ul>	42	105
- Cash and investments	203	481
Total interest and investment income (losses)	245	586
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	20	55
General Council cash and investments	130	320
Restricted investments/funds – external:		
Development contributions		
- Section 7.11	4	14
Water fund operations	64	154
Sewerage fund operations	27	43
Total interest and investment income	245	586

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

## B2-6 Other income

	Notes	2021 \$ '000	2020 \$ '000
Rental income			
Lease income (excluding variable lease payments not dependent on an index or rate)		52	51
Total Investment properties		52	51
Total rental income	C2-2	52	51
Total other income		52	51

### B3 Costs of providing services

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

	2021	2020
	\$ '000	\$ '000
Salaries and wages	7,383	7,139
Employee termination costs (where material – other than vested leave paid)	_	90
Travel expenses	_	1
Employee leave entitlements (ELE)	1,233	1,055
Superannuation – defined contribution plans	719	694
Superannuation – defined benefit plans	122	126
Workers' compensation insurance	311	247
Fringe benefit tax (FBT)	13	6
Training costs	24	83
Uniforms	43	23
Recruitment	16	40
Total employee costs	9,864	9,504
Less: capitalised costs	(1,072)	(714)
Total employee costs expensed	8,792	8,790

#### **Accounting policy**

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

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

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

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

### B3-2 Materials and services

	Notes	2021 \$ '000	2020 \$ '000
	Notes	\$ 000	\$ 000
Raw materials and consumables		2,361	2,753
Contractor and consultancy costs		4,266	4,955
Audit Fees 1	F2-1	72	83
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	F1-2	198	206
Advertising		24	70
Bank charges		40	39
Cleaning		143	154
Election expenses		1	_
Electricity and heating		616	595
Fire control expenses		43	47
Insurance		548	478
Office expenses (including computer expenses)		611	553
Postage		25	25
Printing and stationery		40	47
Street lighting		127	112
Subscriptions and publications		75	73
Telephone and communications		65	80
Tourism expenses (excluding employee costs)		163	128
Valuation fees		37	32
Travel expenses		3	27
Other Joint Organisation Costs		_	5
Training costs (other than salaries and wages)		38	90
Other expenses		3	3
Legal expenses:			
<ul> <li>Legal expenses: debt recovery</li> </ul>		34	18
<ul><li>Legal expenses: other</li></ul>		20	50
Total materials and services		9,553	10,623
Total materials and services		9,553	10,623

### **Accounting policy**

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

## B3-3 Borrowing costs

		2021	2020
	Notes	\$ '000	\$ '000
(i) Interest bearing liability costs			
Interest on loans		263	206
Total interest bearing liability costs		263	206
Total interest bearing liability costs expensed		263	206
- Remediation liabilities	C3-5	112	_
Total borrowing costs expensed	_	375	206

#### **Accounting policy**

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

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

	Notes	2021 \$ '000	2020 \$ '000
	Notes	\$ 000	φ 000
Depreciation and amortisation			
Plant and equipment		1,030	990
Office equipment		62	35
Furniture and fittings		5	8
Land improvements (depreciable)		253	222
Infrastructure:	C1-6		
- Buildings		907	1,332
- Roads		3,440	3,607
- Other structures		216	127
- Bridges		84	101
- Footpaths		57	87
- Stormwater drainage		216	622
<ul> <li>Water supply network</li> </ul>		681	699
<ul> <li>Sewerage network</li> </ul>		751	785
– Swimming pools		65	75
<ul> <li>Other open space/recreational assets</li> </ul>		59	63
- Other infrastructure		154	113
Other assets:			
<ul> <li>Library books</li> </ul>		30	30
Reinstatement, rehabilitation and restoration assets:			
- Tip assets	C1-6	67	45
Total gross depreciation and amortisation costs		8,077	8,941
Total depreciation and amortisation costs		8,077	8,941
Total depreciation, amortisation and impairment for			
non-financial assets		8,077	8,941

#### **Depreciation and amortisation**

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives.

#### Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are not tested for impairment since these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

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

Other non-financial assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

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

## B3-5 Other expenses

		2021	2020
	Notes	\$ '000	\$ '000
Impairment of receivables			
Other		9	67
Total impairment of receivables	C1-4	9	67
Other			
Contributions/levies to other levels of government			
- Emergency services levy (includes FRNSW, SES, and RFS levies)		14	11
<ul> <li>NSW fire brigade levy</li> </ul>		28	25
– NSW rural fire service levy		403	283
Donations, contributions and assistance to other organisations (Section 356)		309	238
Total other		754	557
Total other expenses		763	624

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

Impairment expenses are recognised when identified.

### B4 Gains or losses

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

	Notes	2021 \$ '000	2020 \$ '000
	Notes	\$ 000	φ 000
Gain (or loss) on disposal of plant and equipment	C1-6		
Proceeds from disposal – plant and equipment		314	279
Less: carrying amount of plant and equipment assets sold/written off		(179)	(199)
Gain (or loss) on disposal	_	135	80
Gain (or loss) on disposal of investments	C1-2		
Proceeds from disposal/redemptions/maturities – investments		54,000	75,000
Less: carrying amount of investments sold/redeemed/matured		(54,000)	(75,000)
Gain (or loss) on disposal	_		
Net gain (or loss) on disposal of assets	_	135	80

### **Accounting policy**

Gains and losses on disposals are determined by comparing proceeds with carrying amount. The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

### B5 Performance against budget

### **B5-1** Material budget variations

Council's original budget was adopted by the Council on 24/06/2020 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2021 Budget	2021 Actual	202 <sup>-</sup> Variar	-	
REVENUES					
Rates and annual charges	8,900	9,164	264	3%	F
User charges and fees Variation is due to larger than expected revenue from the for the Sturt and Silver City Highways.	<b>5,026</b> Buronga Landfil	<b>7,582</b> I and fee for serv	<b>2,556</b> vice work with Tra	<b>51%</b> Insport for N	F SW
Other revenues Other revenue is under budget due to a number of ad-ho	<b>1,266</b> c reimbursement	<b>1,020</b> s that did not-oc	(246) cur during the yea	<b>(19)%</b> ar.	U
Operating grants and contributions	10,557	10,384	(173)	(2)%	U
Capital grants and contributions Council received additional grant revenue due to the ong Governments. There was also timing differences between actually was.					F
Interest and investment revenue Interest revenue was under budget due to the continued cash flows. Also interest of overdue rates was lower than legislate a zero interest rate for the period 1 July - 31 Dec	budgeted due to	the decision of	the NSW governr	nent to have	
<b>Net gains from disposal of assets</b> Budget Variation is due to better than expcted trade-ins for	<b>100</b> or disposed plant	135 and motor vehic	<b>35</b> cles.	35%	F
Other income	-	52	52	∞	F

# B5-1 Material budget variations (continued)

\$ '000	2021 Budget	2021 Actual	2021 Variance		
EXPENSES					
Employee benefits and on-costs  Budget variation was due to a number of positions being variationatically being replaced straight away.	<b>9,997</b> cant during th	<b>8,792</b> ne financial year wi	<b>1,205</b> th some position	12% ns not	F
Materials and services The majority of budget variation was due to a number of expending reallocated to material and services as per the update expenditure for the fee for service work for Transport for NS	to the Code	<b>9,553</b> was previously ca of Accounting Pra	(5,145) ategorised as oth ctice. There was	(117)% ner expenditu s also addition	<b>U</b> ire nal
Borrowing costs Borrowing costs was under budget due to a number of loans	<b>266</b> s not being re	<b>375</b> quired when expe	(109) cted during the	<b>(41)%</b> year.	U
Depreciation, amortisation and impairment of non-financial assets  Depreciation was over budget due to ongoing revaluation in	<b>7,093</b> creases.	8,077	(984)	(14)%	U
Other expenses See previous comment in material and services in regards to	<b>3,362</b> o reallocation	<b>763</b> of expenses.	2,599	77%	F
Joint ventures and associates – net losses This expense represents Council's share of the decrease in of Accounting Standard AASB 11 Joint Arrangements and w				∞ nis a requirem	<b>U</b> nent
STATEMENT OF CASH FLOWS					
Cash flows from operating activities Larger than expected cash inflow was due to a large amount portion of this was either grant prepayments or the receipt of cash outflow was in the previous financial year.					
Cash flows from investing activities  Due to the larger increase in cash, this has resulted to a larger	(18,403) ge than exped	(25,961) cted purchase of ir	(7,558) evestments.	41%	U
Cash flows from financing activities Budget variaiton was due to a number of loans that were ex	<b>3,638</b> pcted to be d	<b>1,727</b> rawn down during	(1,911) the year not bei	(53)% ing required.	U

# C Financial position

## C1 Assets we manage

### C1-1 Cash and cash equivalents

	2021	2020
	\$ '000	\$ '000
Cash and cash equivalents		
Cash on hand and at bank	2,363	2,413
Cash-equivalent assets	·	
- Deposits at call	10,030	_
- Short-term deposits		8,000
Total cash and cash equivalents	12,393	10,413
Reconciliation of cash and cash equivalents		
Total cash and cash equivalents per Statement of Financial Position	12,393	10,413
Balance as per the Statement of Cash Flows	12,393	10,413

### **Accounting policy**

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

#### C1-2 Financial investments

	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
	\$ '000	\$ '000	\$ '000	\$ '000
Debt securities at amortised cost				
Long term deposits	26,000	_	18,005	_
Total	26,000	_	18,005	_
Total financial investments	26,000	<b>_</b>	18,005	
Total cash assets, cash equivalents and				
investments	38,393		28,418	

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

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

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

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

# C1-3 Restricted cash, cash equivalents and investments

	2021 Current \$ '000	2021 Non-current \$ '000	2020 Current \$ '000	2020 Non-current \$ '000
Total cash, cash equivalents and investments	38,393		28,418	_
·				
attributable to:	00.404		40.400	
External restrictions	22,181	-	13,498	_
Internal restrictions	10,928	-	10,583	_
Unrestricted	5,284		4,337	
	38,393		28,418	
			2021 \$ '000	2020 \$ '000
Details of restrictions				
External restrictions – included in liabilities			5 770	554
Specific purpose unexpended grants – Contract Liabilities  External restrictions – included in liabilities			5,779	551
External rectrictions included in habilities			5,779	551
External restrictions – other  External restrictions included in cash, cash equivalents and in comprise:  Developer contributions – general	nvestments abo	ve	663	640
Specific purpose unexpended grants (recognised as revenue	e) – general fund	I	1,108	233
Water fund			9,409	9,154
Sewer fund			3,607	2,631
Council reserves – caravan park			258	289
Other - T-Corp Loan Balance			1,357	_
External restrictions – other			16,402	12,947
Total external restrictions			22,181	13,498
Internal restrictions Council has internally restricted cash, cash equivalents and in	nvestments as f	ollows.		
Plant and vehicle replacement	50451110 40 1		1,500	1,500
Employees leave entitlement			2,504	2,448
Deposits, retentions and bonds			631	576
Capital projects			1,200	1,000
FAG received in advance			3,350	3,323
Future development			1,076	1,113
Loan guarantee			3	3
Other doubtful debts provision			125	115
Cemeteries Deposits			539	505
Total internal restrictions			10,928	10,583
Total restrictions			33,109	24,081

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

### C1-4 Receivables

	2021	2021	2020	2020
	Current \$ '000	Non-current \$ '000	Current \$ '000	Non-current \$ '000
	\$ 000	<b>\$ 000</b>	φ 000	φ 000
Purpose				
Rates and annual charges	741	-	914	_
Interest and extra charges	267	-	225	_
User charges and fees	1,754	-	3,062	_
Accrued revenues				
- Interest on investments	28	-	62	_
Government grants and subsidies	1,219	-	1,244	_
Net GST receivable	101		431	_
Total	4,110		5,938	_
Less: provision of impairment				
User charges and fees	(125)	_	(115)	_
Total provision for impairment –	()		(110)	
receivables	(125)	_	(115)	_
Total net receivables				
Total het receivables	3,985		5,823	
Externally restricted receivables				
<b>Water supply</b> – Rates and availability charges	455	-	533	_
<b>Water supply</b> - Rates and availability charges - Other	455 793	<u>-</u> -	533 549	- -
Water supply – Rates and availability charges – Other Sewerage services	793	<del>-</del> -	549	- -
Water supply  - Rates and availability charges  - Other Sewerage services  - Rates and availability charges	793 253	- - -	549 287	- - -
Water supply  - Rates and availability charges  - Other Sewerage services  - Rates and availability charges  - Other	793 253 40	- - - -	549 287 99	- - -
Water supply  - Rates and availability charges  - Other Sewerage services  - Rates and availability charges  - Other	793 253	- - - -	549 287	- - - -
Water supply  - Rates and availability charges  - Other Sewerage services  - Rates and availability charges  - Other Total external restrictions	793 253 40	- - - - - -	549 287 99	- - - -
Water supply  - Rates and availability charges  - Other Sewerage services  - Rates and availability charges  - Other Total external restrictions  Unrestricted receivables	793 253 40 1,541	- - - - - -	549 287 99 1,468	- - - -
Water supply - Rates and availability charges - Other Sewerage services - Rates and availability charges - Other Total external restrictions Unrestricted receivables	793 253 40 1,541 2,444	- - - - - - -	287 99 1,468 <b>4,355</b>	- - - - -
Externally restricted receivables Water supply  - Rates and availability charges  - Other Sewerage services  - Rates and availability charges  - Other Total external restrictions  Unrestricted receivables  Total net receivables	793 253 40 1,541 2,444	- - - - - - -	287 99 1,468 <b>4,355</b> 5,823	
Water supply  - Rates and availability charges  - Other Sewerage services  - Rates and availability charges  - Other Total external restrictions  Unrestricted receivables  Total net receivables	793 253 40 1,541 2,444 3,985	- - - - - -	287 99 1,468 <b>4,355</b> 5,823	
Water supply - Rates and availability charges - Other Sewerage services - Rates and availability charges - Other Total external restrictions Unrestricted receivables Total net receivables	793 253 40 1,541 2,444 3,985	- - - - - - -	287 99 1,468 <b>4,355</b> 5,823	\$ '000
Water supply  - Rates and availability charges  - Other Sewerage services  - Rates and availability charges  - Other Total external restrictions  Unrestricted receivables  Total net receivables	793 253 40 1,541 2,444 3,985	- - - - -	287 99 1,468 <b>4,355</b> 5,823	2020 \$ '000

#### **Accounting policy**

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

#### Impairment

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

When estimating ECL, 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.

Council uses the simplified approach to trade receiveables when the expected lifetime credit losses are recognised on day 1.

When considering the ECL for rates and annula charges debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

### C1-4 Receivables (continued)

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.

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.

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.

### C1-5 Inventories

	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
	\$ '000	\$ '000	\$ '000	\$ '000
(i) Inventories at cost				
Stores and materials	166	_	202	_
Total inventories at cost	166		202	
Total inventories	166	_	202	_

### **Accounting policy**

#### Raw materials and stores, work in progress and finished goods

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

# C1-6 Infrastructure, property, plant and equipment

		At 1 July 2020			Asset movements during the reporting period					At 30 June 2021		
By aggregated asset class	Gross carrying amount \$ '000	Accumulated depreciation and impairment \$ '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	Revaluation increments to equity (ARR) \$ '000	Gross carrying amount \$ '000	Accumulated depreciation and impairment \$ '000	Net carrying amount \$ '000
Capital work in progress	13,077	_	13,077	9,656	2,399	_	_	(3,035)	_	22,099	_	22,099
Plant and equipment	16,159	(9,618)	6,541	1,576	_	(179)	(1,030)	_	_	16,779	(9,870)	6,909
Office equipment	2,227	(1,763)	464	34	10	_	(62)	_	_	555	(109)	446
Furniture and fittings	280	(264)	16	_	_	_	(5)	_	_	85	(74)	11
Land:												
<ul> <li>Operational land</li> </ul>	4,057	_	4,057	_	_	_	_	_	_	4,057	_	4,057
<ul> <li>Community land</li> </ul>	7,250	_	7,250	_	37	_	_	_	_	7,287	_	7,287
- Land under roads (post 30/6/08)	361	_	361	_	61	_	_	_	_	422	_	422
Land improvements – depreciable Infrastructure:	8,236	(4,252)	3,984	394	424	-	(253)	510	-	9,563	(4,504)	5,059
– Buildings	70,632	(37,278)	33,354	353	336	_	(907)	1,280	_	72,601	(38,185)	34,416
- Other structures	5,316	(1,836)	3,480	181	_	_	(216)	36	_	5,533	(2,052)	3,481
- Roads	190,555	(100,832)	89,723	2,482	87	_	(3,440)	_	_	193,125	(104,273)	88,852
– Bridges	12,632	(5,684)	6,948	_	_	_	(84)	_	_	12,632	(5,768)	6,864
<ul><li>Footpaths</li></ul>	6,214	(3,242)	2,972	31	242	_	(57)	_	_	6,488	(3,300)	3,188
<ul> <li>Bulk earthworks</li> </ul>												
(non-depreciable)	190,611	-	190,611	15	-	-	-	-	-	190,626	-	190,626
<ul> <li>Stormwater drainage</li> </ul>	24,483	(9,667)	14,816	461	-	-	(216)	16	144	25,198	(9,977)	15,221
<ul> <li>Water supply network</li> </ul>	56,697	(26,793)	29,904	121	_	_	(681)	1,055	273	58,394	(27,722)	30,672
<ul> <li>Sewerage network</li> </ul>	46,645	(27,944)	18,701	116	_	_	(751)	124	163	47,306	(28,953)	18,353
<ul><li>Swimming pools</li></ul>	3,019	(1,348)	1,671	104	_	_	(65)	14	-	3,137	(1,413)	1,724
<ul> <li>Other open space/recreational</li> </ul>												
assets	662	(414)	248	-	-	-	(59)	-	-	662	(473)	189
Other infrastructure	13,386	(2,746)	10,640	-	-	-	(154)	-	-	13,386	(2,900)	10,486
Other assets:												
Library books     Reinstatement, rehabilitation     and restoration assets (refer     Note C3-5):	380	(248)	132	_	42	-	(30)	_	-	235	(91)	144
– Tip assets	3,338	(94)	3,244	_	_	_	(67)	_	_	3,339	(162)	3,177
Total infrastructure, property, plant and equipment	676,217	(234,023)	442,194	15,524	3,638	(179)	(8,077)	-	580	693,509	(239,826)	453,683

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

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

		At 1 July 2019			Asset movements during the reporting period					At 30 June 2020				
	Gross carrying	Accumulated depreciation and	Net carrying	Additions	Additions	Carrying value of	Depreciation		Adjustments	Revaluation decrements to equity	Revaluation increments to	Gross carrying	Accumulated depreciation and	Net carrying
By aggregated asset class	amount \$ '000	impairment \$ '000	amount \$ '000	renewals 1 \$ '000	new assets \$ '000	disposals \$ '000	expense \$ '000	WIP transfers \$ '000	and transfers \$ '000	(ARR) \$ '000	equity (ARR) \$ '000	amount \$ '000	impairment \$ '000	amount \$ '000
	Ψ 000	Ψ 000	Ψ 000	<b>\$ 555</b>	Ψ 000	Ψ 000	Ψ 000	<b>V</b> 000	Ψ 000	Ψ 000	Ψ 000	<b>\$ 555</b>	<b>V</b> 000	<b>Ψ</b> 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:														
<ul> <li>Operational land</li> </ul>	_	_	_	_	_	-	-	-	2,657	-	1,400	4,057	_	4,057
– Community land	7,836	_	7,836	_	_	-	-	-	(2,657)	-	2,071	7,250	_	7,250
<ul><li>Land under roads (post 30/6/08)</li></ul>	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
<ul><li>Other structures</li></ul>	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
<ul> <li>Bulk earthworks (non-depreciable)</li> </ul>	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
<ul> <li>Water supply network</li> </ul>	56,098	(25,845)	30,253	_	14	_	(699)	53	_	_	283	56,697	(26,793)	29,904
<ul> <li>Sewerage network</li> </ul>	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
<ul> <li>Other infrastructure</li> </ul>	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 C3-5):							•						•	
– 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

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

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

#### **Accounting policy**

#### Initial recognition of infrastrucutre, property, plant and equipment (IPPE)

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

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

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

#### **Useful lives of IPPE**

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

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.

#### Revaluation model

Infrastructure, property, plant and equipment are held at faor value. Comprehensive valuations are performed at least every 5 years, however the carrying amount of assets is assessed by Council at each reporting date to confirm that it is not materially different from current fair value.

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manula issued by Department of Plannning, Industry and Environemnt - Water.

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

#### Land under roads

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

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

Council has elected not to recognise land under roads acquired before 1 July 2008. Land under roads acquired after 1 July 2008 is recognised in accordance with the IPPE accounting policy.

#### **Crown reserves**

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

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

#### **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.

### Externally restricted infrastructure, property, plant and equipment

		as at 30/06/21		as at 30/06/20			
	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	
Water supply							
WIP	3,872	_	3,872	3,271	_	3,271	
Plant and equipment	43	16	27	43	14	29	
Infrastructure	58,394	27,722	30,672	56,698	26,793	29,905	
Total water supply	62,309	27,738	34,571	60,012	26,807	33,205	
Sewerage services							
WIP Land	4,979	-	4,979	3,830	-	3,830	
- Improvements - depreciable	13	8	5	13	7	6	
Infrastructure	47,306	28,953	18,353	46,645	27,943	18,702	
Total sewerage services	52,298	28,961	23,337	50,488	27,950	22,538	
Total restricted infrastructure, property, plant							
and equipment	114,607	56,699	57,908	110,500	54,757	55,743	

### C1-7 Intangible assets

### Intangible assets are as follows:

	2021	2020
	\$ '000	\$ '000
Goodwill		
Opening values at 1 July		
Gross book value	184	184
Net book value – opening balance	184	184
Closing values at 30 june		
Gross book value	184	184
Total Goodwill – net book value	184	184
Total intangible assets – net book value	184	184

### **Accounting policy**

### 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.

### C2 Leasing activities

#### C2-1 Council as a lessee

Council currently has no leases in place.

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

Council has no leases that are significantly below market value.

#### C2-2 Council as a lessor

### 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:

	2021	2020
	\$ '000	\$ '000
Lease income (excluding variable lease payments not dependent on an index or rate)	52	51
Total income relating to operating leases for investment property assets	52	51

# (iii) Maturity analysis of undiscounted lease payments to be received after reporting date for all operating leases:

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

< 1 year	98	96
1–2 years	100	98
2–3 years	102	100
3–4 years	104	102
4–5 years	106	104
> 5 years	564	562
Total undiscounted lease payments to be received 1,	074	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.

# C3 Liabilities of Council

# C3-1 Payables

	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
	\$ '000	\$ '000	\$ '000	\$ '000
Payables				
Accrued expenses:				
- Borrowings	10	_	10	_
<ul> <li>Salaries and wages</li> </ul>	116	_	320	_
<ul> <li>Other expenditure accruals</li> </ul>	1,816	_	2,671	_
Trust account – money held in trust	631	_	576	_
Prepaid rates	332	_	278	_
Total payables	2,905		3,855	_
Total payables	2,905	_	3,855	_

### Payables relating to restricted assets

	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
	\$ '000	\$ '000	\$ '000	\$ '000
Externally restricted assets				
Water	_	_	23	_
Sewer	_	_	43	_
Total payables relating to restricted				
assets		<u> </u>	66	_
Total payables relating to unrestricted				
assets	2,905	<u> </u>	3,789	_
Total payables	2,905	_	3,855	_

#### **Accounting policy**

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

### **Payables**

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

### C3-2 Contract Liabilities

	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
Note	s \$ '000	\$ '000	\$ '000	\$ '000
Grants and contributions received in advance:				
Unexpended capital grants (to construct Council controlled assets) (i)	5,779	-	551	-
Total grants received in advance	5,779	<u> </u>	551	_
User fees and charges received in advance Other - Cemeteries Deposits (ii)	ee: 539_		505	_
Total user fees and charges received in advance	539		505	_
Total contract liabilities	6,318	<u> </u>	1,056	_

#### **Notes**

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

#### Contract liabilities relating to restricted assets

	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
	\$ '000	\$ '000	\$ '000	\$ '000
Unspent grants held as contract liabilities (excl.				
Water & Sewer)	5,779	_	551	_
Contract liabilities relating to externally				
restricted assets	5,779	-	551	_
Cemeteries Deposits	539	_	505	_
Contract liabilities relating to internally				
restricted assets	539	-	505	_
Total contract liabilities relating to restricted assets	6,318	-	1,056	_
Total contract liabilities	6,318		1,056	

#### Significant changes in contract liabilities

Council has received significant grant funding in advance during 2020/21 from the following funding programs:

- Crown Reserves Improvement Fund
- NSW Fixing Local Roads
- · Local Roads and Community Infrastructure
- Stronger Country Communities Fund Round 4

#### **Accounting policy**

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

<sup>(</sup>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.

# C3-3 Borrowings

	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
	\$ '000	\$ '000	\$ '000	\$ '000
Loans – secured 1	499	5,522	262	4,032
Total borrowings	499	5,522	262	4,032

<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.

### Borrowings relating to restricted assets

2021	2021	2020	2020
Current	Non-current	Current	Non-current
\$ '000	\$ '000	\$ '000	\$ '000
69	681	_	_
69	681	_	_
60	604		
09	001		<del>-</del>
430	4,841	262	4,032
499	5,522	262	4,032
	69 69 430	Current \$ '000 \$ '000  69 681  69 681  69 681  430 4,841	Current \$'000         Non-current \$'000         Current \$'000           69         681         -           69         681         -           69         681         -           430         4,841         262

### C3-3 Borrowings (continued)

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

	2020		Non-cash movements				2021
	Opening Balance \$ '000	Cash flows \$ '000	Acquisition \$ '000	Fair value changes \$ '000	Acquisition due to change in accounting policy \$ '000		Closing balance \$ '000
Loans – secured  Total liabilities from financing	4,294	(273)	2,000		_		6,021
activities	4,294	(273)	2,000	_	_		6,021

	2019		Non-cash movements				2020
	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
Loans – secured  Total liabilities from financing activities	4,539 4,539	(245) (245)	<u>-</u>	_ 			4,294

#### (b) Financing arrangements

	2021	2020
	\$ '000	\$ '000
Total facilities		
Credit cards/purchase cards	40	40
Bank Guarantee	54	54
Total financing arrangements	94	94
Undrawn facilities		
- Credit cards/purchase cards	40	40
- Bank Guarantee	54	54
Total undrawn financing arrangements	94	94

#### 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**

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

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

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

### C3-4 Employee benefit provisions

	2004	0004	2000	2000
	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
	\$ '000	\$ '000	\$ '000	\$ '000
Annual leave	915	_	922	_
Long service leave	1,179	241	1,125	230
Gratuities	169		165	6
Total employee benefit provisions	2,263	241	2,212	236

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

	2021 \$ '000	2020 \$ '000
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	1,132	1,106
	1,132	1,106

#### Description of and movements in provisions

	ELE provisions					
	Long service					
	Annual leave	leave	Gratuities	Total		
	\$ '000	\$ '000	\$ '000	\$ '000		
2021						
At beginning of year	922	1,355	171	2,448		
Additional provisions	615	179	_	794		
Amounts used (payments)	(622)	(114)	(2)	(738)		
Total ELE provisions at end of year	915	1,420	169	2,504		
2020						
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		

#### **Accounting policy**

Employee benefit provisions are presented as current liabilities in the statement of Financial Position if Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur and therefore all annual leave and vested long service leave (or that which vests within 12 months) is presented as current.

#### **Short-term obligations**

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

#### Other long-term employee benefit obligations

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

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

#### **On-costs**

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

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

#### C3-5 Provisions

	2021	2021	2020	2020
	Current	Non-Current	Current	Non-Current
	\$ '000	\$ '000	\$ '000	\$ '000
Asset remediation/restoration:				
Asset remediation/restoration (future works)	_	2,596	_	2,484
Sub-total – asset remediation/restoration	_	2,596	_	2,484
Total provisions		2,596		2,484
Total provisions relating to unrestricted assets		2,596		2,484
				2,404
Total provisions	-	2,596		2,484

### Description of and movements in provisions

	Other pro	Other provisions		
	Asset remediation \$ '000	Net carrying amount \$ '000		
2021				
At beginning of year	2,484	2,484		
Unwinding of discount	112	112		
Total other provisions at end of year	2,596	2,596		
2020				
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		

### Nature and purpose of provisions

#### **Asset remediation**

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

#### **Accounting policy**

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

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

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

#### Asset remediation – tips and quarries

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs. Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

The ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques, or experience at other locations.

### C3-5 Provisions (continued)

The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result, there could be significant adjustments to the provision for close down and restoration and environmental clean-up, which would affect future financial results.

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

#### C4 Reserves

# C4-1 Nature and purpose of reserves

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

# D Council structure

## D1 Results by fund

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

# D1-1 Income Statement by fund

	General 2021 \$ '000	Water 2021 \$ '000	Sewer 2021 \$ '000
	Ψ 000	Ψ 000	Ψ 000
Income from continuing operations			
Rates and annual charges	6,245	1,239	1,680
User charges and fees	5,992	1,590	_
Interest and investment revenue	154	64	27
Other revenues	1,014	6	_
Grants and contributions provided for operating purposes	10,266	19	99
Grants and contributions provided for capital purposes	10,362	931	431
Net gains from disposal of assets	135	_	_
Other income	52	_	_
Total income from continuing operations	34,220	3,849	2,237
Expenses from continuing operations			
Employee benefits and on-costs	7,287	586	183
Materials and services	8,180	976	397
Borrowing costs	374	_	1
Depreciation, amortisation and impairment of non-financial assets	6,642	684	751
Other expenses	605	64	94
Share of interests in joint ventures and associates using the equity method	242		
_	219		
Total expenses from continuing operations	23,307	2,310	1,426
Operating result from continuing operations	10,913	1,539	811
Net operating result for the year	10,913	1,539	811
Net operating result attributable to each council fund	10,913	1,539	811
Net operating result for the year before grants and			
contributions provided for capital purposes	551	608	380

# D1-2 Statement of Financial Position by fund

	General 2021 \$ '000	Water 2021 \$ '000	Sewer 2021 \$ '000
ASSETS			
Current assets			
Cash and cash equivalents	(623)	9,409	3,607
Investments	26,000	_	_
Receivables	2,444	1,248	293
Inventories	166	_	_
Other	156	_	_
Total current assets	28,143	10,657	3,900
Non-current assets			
Infrastructure, property, plant and equipment	395,775	34,571	23,337
Investments accounted for using the equity method	1,140	_	_
Intangible assets	184	_	_
Total non-current assets	397,099	34,571	23,337
TOTAL ASSETS	425,242	45,228	27,237
LIABILITIES Current liabilities Payables Contract liabilities Borrowings	2,905 6,318 430	- - -	- - 69
Employee benefit provision	2,263	_	_
Total current liabilities	11,916		69
Non-current liabilities			
Borrowings	4,841	_	681
Employee benefit provision	241	_	_
Provisions	2,596	<u> </u>	_
Total non-current liabilities	7,678	_	681
TOTAL LIABILITIES	19,594		750
Net assets	405,648	45,228	26,487
EQUITY			
Accumulated surplus	54,370	20,640	7,589
Accumulated Surplus			
·	351 278	24 588	18 898
Revaluation reserves  Council equity interest	351,278 405,648	24,588 45,228	18,898 26,487

## D2 Interests in other entities

	Council's share of	net assets
	2021 \$ '000	2020 \$ '000
	φ σσσ	Ψ 000
Council's share of net income		
Net share of interests in joint ventures and associates using the equity method – expenses		
Joint ventures	219	102
Total net share of interests in joint ventures and associates using the		
equity method – expenses	219	102
Total Council's share of net income	(219)	(102)
Council's share of net assets  Net share of interests in joint ventures and associates using the equity method  – assets		
Joint ventures	1,140	1,359
Total net share of interests in joint ventures and associates using the	·	,
equity method – assets	1,140	1,359
Total Council's share of net assets	1,140	1,359

## D2-1 Interests in joint arrangements

#### **Material 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 a 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 adovcate for strategic regional priorities;
- 3. Identify and take up opportunities for intergovernmental cooperation on matters relating to the joint orgnisation 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 eqivalent to the percentage voting rights for all associates as follows: FWJO compises 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 2020/2021 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 contracted the Executive Officer role to the Riverina & Murray Joint Organisation of Councils.

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

# D2-1 Interests in joint arrangements (continued)

\$'000
<b>Ψ</b> 000
4,621
-
(60)
<u>-</u>
4,561
150
5
4
159
(98)
-
(3)
(917)
(1,018)
(859)
<u>-</u>
(859)
856
(5)
- -
(851)
1,140
1,140

## D2-1 Interests in joint arrangements (continued)

#### Joint arrangement

	Principal activity	Place of	Interest in ownership		Interest in voting	
	Principal activity	business	2021	2020	2021	2020
Council is involved in the for Name of joint arrangement:	<i>.</i>					
Far West Joint Organisation	Local Government Joint Arrangement	240 Blende St Broken Hill NSW 2880	25%	25%	25%	25%

#### **Accounting policy**

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.

## E Risks and accounting uncertainties

## E1-1 Risks relating to financial instruments held

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

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

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

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

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

	Corming value	Carrying value	Fair value	Fair value
	Carrying value	, ,		
	2021	2020	2021	2020
	\$ '000	\$ '000	\$ '000	\$ '000
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	12,393	10,413	12,393	10,413
Receivables	3,985	5,823	3,985	5,823
Investments				
<ul> <li>Debt securities at amortised cost</li> </ul>	26,000	18,005	26,000	18,005
Total financial assets	42,378	34,241	42,378	34,241
Financial liabilities				
Payables	2,905	3,855	2,905	3,855
Loans/advances	6,021	4,294	6,021	4,294
Total financial liabilities	8,926	8,149	8,926	8,149

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.

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

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

(a) Market risk – interest rate and price risk		
	2021	2020
	\$ '000	\$ '000
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
- Equity / Income Statement	384	284
Impact of a 10% movement in price of investments		
- Equity / Income Statement	_	_

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

## (b) Credit risk

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

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

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

There are no significant concentrations of credit risk, 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 recover these debts as a secured charge over the land; that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates which further encourages payment.

	Not yet overdue \$ '000	< 1 year overdue \$ '000	1 - 2 years overdue \$ '000	2 - 5 years overdue \$ '000	> 5 years overdue \$ '000	Total \$ '000
2021 Gross carrying amount	-	420	127	131	63	741
2020 Gross carrying amount	_	368	253	245	48	914

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

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

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

	Not yet	0 - 30 days	31 - 60 days	61 - 90 days	> 91 days	
	overdue	overdue	overdue	overdue	overdue	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
2021						
Gross carrying amount	2,725	158	_	_	486	3,369
Expected loss rate (%)	0.03%	1.92%	6.51%	76.14%	24.87%	3.70%
ECL provision	1	3	-	-	121	125
2020						
Gross carrying amount	3,902	400	187	_	535	5,024
Expected loss rate (%)	0.70%	1.00%	0.50%	0.00%	15.50%	2.29%
ECL provision	27	4	1	_	83	115

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

## (c) Liquidity risk

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

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

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

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

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

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

	Weighted average	Subject	p	payable in:			Actual
	interest rate	interest to no	≤ 1 Year	1 - 5		Total cash outflows	carrying values
	%	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
2021							
Trade/other payables	0.00%	631	1,942	_	_	2,573	2,573
Loans and advances	2.80%		927	5,631	6,108	12,666	6,021
Total financial liabilities		631	2,869	5,631	6,108	15,239	8,594
2020							
Trade/other payables	0.00%	576	3,001	_	_	3,577	3,577
Loans and advances	4.21%		392	1,568	4,117	6,077	4,294
Total financial liabilities		576	3,393	1,568	4,117	9,654	7,871

## E2-1 Fair value measurement

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

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

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

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

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

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

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

	Fair value measurement hierarchy								
		te of latest Level 2 Significant valuation observable inputs			ignificant bservable inputs	Total			
\$ '000	Notes <b>2021</b>	2020	2021	2020	2021	2020	2021	2020	
Recurring fair value measure	ements								
Infrastructure, property, plant and equipment	C1-6								
Plant and equipment	30/06/19	30/06/19	_	_	6,909	6,541	6,909	6,541	
Office equipment	30/06/19	30/06/19	_	_	446	464	446	464	
Furniture and fittings	30/06/19	30/06/19	_	_	11	16	11	16	
Swimming Pools	30/06/18	30/06/18	_	_	1,724	1,671	1,724	1,671	
Operational land	30/06/20	30/06/20	_	_	4,057	4,057	4,057	4,057	
Community Land	30/06/20	30/06/20	_	_	7,287	7,250	7,287	7,250	
Land improvements –									
depreciable	30/06/18	30/06/18	-	-	5,059	3,984	5,059	3,984	
Buildings	30/06/18	30/06/18	-	-	34,416	33,354	34,416	33,354	
Other structures	30/06/18	30/06/18	-	-	3,481	3,480	3,481	3,480	
Roads, Bridges, Bulk Earthworks & Land Under									
Roads	30/06/20	30/06/20	-	_	286,764	287,643	286,764	287,643	
Footpaths	30/06/20	30/06/20	_	_	3,188	2,972	3,188	2,972	
Stormwater drainage	30/06/17	30/06/17	_	_	15,221	14,816	15,221	14,816	
Water supply network	30/06/17	30/06/17	_	_	30,672	29,904	30,672	29,904	
Sewerage network	30/06/17	30/06/17	_	_	18,353	18,701	18,353	18,701	
Other recreational assets	30/06/18	30/06/18	_	_	189	248	189	248	
Library books	30/06/20	30/06/20	_	_	144	132	144	132	
Other Infrastructure	30/06/20	30/06/20	_	_	10,486	10,640	10,486	10,640	
Tip Assets					3,177	3,244	3,177	3,244	
Total infrastructure,									
property, plant and equipment			_	_	431 58 <i>4</i>	429,117	431 58 <i>4</i>	429,117	

# Non-recurring fair value measurements

#### Valuation techniques

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

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

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

Plant & 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 remaining 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 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 componetising 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 shails, 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 carrigeway, 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 utilisied 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 uncertainity 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 componetising the assets into significant parts with different useful lives and taking into account a range of factors. The level of componetisation 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 componetising the assets into significant parts with different useful lives and taking into account a range of factors. The level of componetisation 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 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.

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

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

	Plant and equipment		Office equipment		Furniture an	d fittings	Operational land	
	2021 \$ '000	2020 \$ '000	2021 \$ '000	2020 \$ '000	2021 \$ '000	2020 \$ '000	2021 \$ '000	2020 \$ '000
Opening balance	6,541	6,410	464	309	16	22	4,057	_
Total gains or losses for the period								
Other movements								
Purchases (GBV)	1,576	1,320	44	190	_	2	_	_
Other movement	,	•						
(revaluation)	_	_	_	_	_	_	_	1,400
Disposals (WDV)	(179)	(199)	_	_	_	_	_	_
Transfers from/(to) another	` ,	` ,						
asset class	_	_	_	_	-	_	_	2,657
Depreciation and impairment	(1,029)	(990)	(62)	(35)	(5)	(8)	_	_
Closing balance	6,909	6,541	446	464	11	16	4,057	4,057

			_		Land imp			
	Library b	ooks	Communi	ity land	depreciable		Buildings	
	2021	2020	2021	2020	2021	2020	2021	2020
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance	132	113	7,250	7,836	3,984	3,688	33,354	33,017
Total gains or losses for the period								
Other movements								
Purchases (GBV)	42	49	37	_	1,328	518	1,969	1,669
Other movement								
(revaluation)	_	_	_	2,071	_	_	_	_
Transfers from/(to) another				,-				
asset class	_	_	_	(2,657)	_	_	_	_
Depreciation and impairment	(30)	(30)	-	· ,	(253)	(222)	(907)	(1,332)
Closing balance	144	132	7.287	7.250	5.059	3.984	34.416	33.354

	Other str	uctures	Roa	ds	Footpaths		Stormwater	drainage
	2021	2020	2021	2020	2021	2020	2021	2020
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance	3,480	6,238	287,643	287,987	2,972	2,625	14,816	14,731
Total gains or losses for the period								
Other movements								
Purchases (GBV)	217	1,084	2,645	4,405	273	162	477	578
Other movement (revaluation)	_	_	, _	(1,041)	_	272	144	129
Transfers from/(to) another asset class	_	(3,715)	_	_	_		_	_
Depreciation and impairment	(216)	(127)	(3,524)	(3.708)	(57)	(87)	(216)	(622)
Closing balance	3,481	3,480	286,764	287,643	3,188	2,972	15,221	14,816
	Water suppl	y network	Sewerage	network	Swimming	g pools	Open s	pace
	2021 \$ '000	2020 \$ '000						
Opening balance	29,904	30,253	18,701	18,283	1,671	1,727	248	311
Total gains or losses for the period	·		•		·	·		
Other movements								
Purchases (GBV)	1,176	67	240	1,038	118	19	_	_
Other movement	,	•		,,,,,				
(revaluation)	273	283	163	165	_	_	_	_
Depreciation and impairment	(681)	(699)	(751)	(785)	(65)	(75)	(59)	(63)
Closing balance	30.672	29.904	18,353	18,701	1,724	1.671	189	248

	Other Infrastructure		Tip Asse	ts	Total	
	2021	2020	2021	2020	2021	2020
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Opening balance	10,640	1,483	3,244	2,177	429,117	417,210
Purchases (GBV)	_	41	_	1,112	10,142	12,254
Other movement (revaluation)	_	5,514	_	_	580	8,793
Disposals (WDV)	_	_	_	_	(179)	(199)
Transfers from/(to) another asset class	_	3,715	_	_	_	` <i>-</i>
Depreciation and impairment	(154)	(113)	(67)	(45)	(8,076)	(8,941)
Closing balance	10,486	10,640	3,177	3,244	431,584	429,117

# Highest and best use

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

## E3-1 Contingencies

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

#### LIABILITIES NOT RECOGNISED

#### 1. Guarantees

#### (i) Defined benefit superannuation contribution plans

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB119 Employee Benefits for the following reasons:

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer;
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer;
- Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer; and
- 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). As such we do not believe that there is sufficient reliable information to allow each sponsoring employer to account for its proportionate share of the defined benefit obligation, sub-group assets and costs associated with the subgroup in the same way as it would for a single employer sponsored defined benefit plan.

Description of the funding arrangements.

Pooled employers are required to pay standard employer contributions and additional lump sum contributions to the fund.

The future service employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current 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, Employeers are required to contribute 7% of salaries for the year ending 30 June 2021 (increasing to 7.5% in line with the increase in the Superannuation Guarantee) to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total additional contributions of \$40 million per annum from 1 July 2019 to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2019. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

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

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

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding past service 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.

## E3-1 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 2021 was \$98,383.90. The last valuation of the Scheme was performed by Mr Richard Boyfield, FIAA as at 30 June 2020.

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 \$102,319.

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

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

<sup>\*</sup> excluding member accounts and reserves in both assets and liabilities.

The share of this deficit that is broadly attributed to Councul is estimated to be in the order of 0.17%

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

<sup>\*</sup> Plus promotional increases

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group. Please note that the estimated emloyer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review, which will be a triennial acturial investigation will be completed by December 2021.

#### (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.

## E3-1 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.

## F People and relationships

## F1 Related party disclosures

## F1-1 Key management personnel (KMP)

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly.

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

	2021	2020
	\$ '000	\$ '000
Compensation:		
Short-term benefits	1,464	1,277
Post Employment Benefits	139	103
Termination benefits	3	30
Total	1,606	1,410

## 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	Transactions during the year \$ '000	Outstanding balances including commitments \$ '000	Terms and conditions	Impairment provision on outstanding balances \$ '000	Impairment expense \$ '000
2021						
Purchase of Heavy Plant, Parts and Service of Heavy Plant	1	571	480		_	_
Property Management Fees	2	1	_		_	_
Fees and Charges	3	16	_		_	_
Contribution to Operating Costs	4	_	4		_	_
Employee Remuneration relating to a close family member of a KMP	5	95	_		_	_
Supply of Hardware Materials	6	1	_		_	_
Donations, Grants and Contributions	7	10	_		_	_
Tree/Weed Removal, Construction and Demolition work	8	18	_		_	_
Cleaning Services	9	79	_		_	_
Document Destruction Services, Native Nursery & Employment	10	5	_		_	_

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

Nature of the transaction	Ref	Transactions during the year \$ '000	Outstanding balances including commitments \$ '000	Terms and conditions	Impairment provision on outstanding balances \$ '000	Impairment expense \$ '000
	1101	Ψ 000	<b>V</b> 000		Ψ 000	Ψ 000
2020						
Purchase of Heavy Plant, 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	10	4	_		_	_

- Council purchases heavy plant, parts and has heavy plant serviced by William Adams Pty Ltd and Mildura Truck Centre Pty Ltd, companies that employee close family members of Council KMP's. Purchase of plant, 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.
- Council has an investment property that is managed by Elstone Agencies Pty Ltd, a company directly controlled by a Council KMP. Commission was payed under standard industry terms following Council's procurement process
  - 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. Fees and Charges for Food Premises Inspections was received by the Gol Gol Hotel, a business that the spouse of a Council KMP is a member.
- 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 Wheeldon'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.
- Council approved Donations and Contributions to Wentworth Rotary Club, Murray House Aged Care and Wentworth Pioneer Homes as part of Council's annual Donations, Grants and Contributions program. All three 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.

3

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

- 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 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.

# F1-2 Councillor and Mayoral fees and associated expenses

	2021	2020
	\$ '000	\$ '000
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	27	26
Councillors' fees	101	104
Other Councillors' expenses (including Mayor)	70	76
Total	198	206

# F1-3 Other related parties

1 Council is a member of the Far West Joint Oganisation of Councils (FWJO). Council was not required to make any contributions to the FWJO during 2020/21

# F2 Other relationships

# F2-1 Audit fees

	2021	2020
	\$ '000	\$ '000
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	72	83
Remuneration for audit and other assurance services	72	83
Total Auditor-General remuneration	72	83
Total audit fees	72	83

# G Other matters

## G1-1 Statement of Cash Flows information

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

	2021	2020
	\$ '000	\$ '000
Net operating result from Income Statement	12,527	7,635
Adjust for non-cash items:		
Depreciation and amortisation	8,077	8,941
Net losses/(gains) on disposal of assets	(135)	(80)
Non-cash capital grants and contributions	(1,113)	(1,691)
Adoption of AASB 15/1058	_	(561)
Unwinding of discount rates on reinstatement provisions	112	_
Share of net (profits)/losses of associates/joint ventures using the equity method	219	102
+/- Movement in operating assets and liabilities and other cash items:		
Decrease/(increase) in receivables	1,828	(2,156)
Increase/(decrease) in provision for impairment of receivables	10	66
Decrease/(increase) in inventories	36	5
Decrease/(increase) in other current assets	57	(57)
Increase/(decrease) in other accrued expenses payable	(831)	569
Increase/(decrease) in other liabilities	109	(267)
Increase/(decrease) in contract liabilities	5,262	1,056
Increase/(decrease) in provision for employee benefits	56	206
Net cash provided from/(used in) operating activities		
from the Statement of Cash Flows	26,214	13,768
(b) Non-cash investing and financing activities		
Developer contributions 'in kind'	1,113	1,691
Total non-cash investing and financing activities	1,113	1,691

## **G2-1** Commitments

## Capital commitments (exclusive of GST)

	2021	2020
	\$ '000	\$ '000
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Sewerage and water infrastructure	1,516	_
Buildings	123	678
Plant and equipment	1,343	648
Other	1,648	4,893
Road infrastructure	763	
Total commitments	5,393	6,219
These expenditures are payable as follows:		
Within the next year	5,393	6,219
Total payable	5,393	6,219
Sources for funding of capital commitments:		
Unrestricted general funds	1,771	6,219
Future grants and contributions	871	_
Unexpended grants	659	_
Externally restricted reserves	751	_
Unexpended loans	441	_
New loans (to be raised)	900	_
Total sources of funding	5,393	6,219

# G3-1 Events occurring after the reporting date

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

## G4 Statement of developer contributions as at 30 June 2021

## G4-1 Summary of developer contributions

	Opening	Contributio received during t		Interest and			Held as restricted	Cumulative balance of internal
	balance at 1 July 2020 \$ '000	Cash \$ '000	Non-cash \$ '000	investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	asset at 30 June 2021 \$ '000	borrowings (to)/from \$ '000
Development Contribution Plan	162	17	_	1	_	_	180	_
Service Plan # 2	478	2	_	3	_	_	483	_
S7.11 contributions – under a plan	640	19	-	4	-	-	663	-
Total S7.11 and S7.12 revenue under plans	640	19	_	4	_	_	663	
Total contributions	640	19	_	4	_		663	_

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.

## G4-2 Developer contributions by plan

	Opening	Contributions received during the year		Interest and			Held as restricted	
	balance at 1 July 2020 \$ '000	Cash \$ '000	Non-cash \$ '000	investment income earned \$ '000	Amounts expended \$ '000	Internal borrowings \$ '000	asset at 30 June 2021 \$ '000	borrowings (to)/from \$ '000
CONTRIBUTION PLAN 1								
Development Contribution Plan	162	17	_	1	_	_	180	_
Service Plan # 2	478	2	_	3	_	_	483	_
Total	640	19	-	4	_	_	663	_

# G5 Statement of performance measures

## G5-1 Statement of performance measures – consolidated results

	Amounts	Indicator	Indic	ators	Benchmark	
\$ '000	2021	2021	2020	2019		
1. Operating performance ratio						
Total continuing operating revenue excluding capital grants and contributions less operating expenses 1,2	887	3.12%	(2.25)%	(6.83)%	> 0.00%	
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	28,447					
2. Own source operating revenue ratio						
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	18,063	44.97%	49.49%	49.70%	> 60.00%	
Total continuing operating revenue <sup>1</sup>	40,171					
3. Unrestricted current ratio Current assets less all external restrictions	18,978					
Current liabilities less specific purpose liabilities	5,005	3.79x	3.48x	7.19x	> 1.50x	
4. Debt service cover ratio						
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup> Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	9,339	14.41x	18.86x	16.25x	> 2.00x	
5. Rates and annual charges outstanding						
percentage Rates and annual charges outstanding	1,008			40.0=0/	40.000	
Rates and annual charges collectable	10,345	9.74%	11.42%	10.87%	< 10.00%	
6. Cash expense cover ratio						
Current year's cash and cash equivalents plus all term deposits	38,393	20.14	15.55	17.86	> 3.00	
Monthly payments from cash flow of operating and financing activities	1,907	mths	mths	mths	mths	

<sup>(1)</sup> 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

<sup>(2)</sup> 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

# G5-2 Statement of performance measures by fund

	General Indicators <sup>3</sup>		Water Indicators		Sewer Indicators		Benchmark
\$ '000	2021	2020	2021	2020	2021	2020	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1, 2</sup> Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	(0.43)%	(5.78)%	20.84%	14.07%	21.04%	19.85%	> 0.00%
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup> Total continuing operating revenue <sup>1</sup>	39.48%	46.63%	75.32%	63.84%	76.31%	56.02%	> 60.00%
3. Unrestricted current ratio							
Current assets less all external restrictions	3.79x	3.48x	∞	445.04x	56.52x	70.16x	> 1.50x
Current liabilities less specific purpose liabilities					00.02		
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>					4 422 00		
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	10.69x	13.91x	∞	∞	1,132.00 x	∞	> 2.00x
5. Rates and annual charges outstanding percentage							
Rates and annual charges outstanding	3.44%	3.84%	26.59%	35.56%	14.95%	16.35%	< 10.00%
Rates and annual charges collectable	3.44 %	3.0470	20.59%	33.30%	14.55%	10.33%	< 10.00%
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	15.91	11.03	48.88	44.20	30.35	23.33	> 3.00
Monthly payments from cash flow of operating and financing activities	mths	mths	mths	mths	mths	mths	mths

<sup>(1) - (2)</sup> Refer to Notes at Note 28 above.

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

# H Additional Council disclosures (unaudited)

## H1-1 Financial review

Key financial figures of Council over the past 5 year	Kev	∕ financial	figures	of	Council	over the	e past 5	vears
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	2021 \$ '000	2020 \$ '000	2019 \$ '000	2018 \$ '000	2017 \$ '000
Inflows:	<b>,</b> , , , ,	7	7	, , , , , , , , , , , , , , , , , , ,	-
Rates and annual charges revenue	9,164	8,822	8,635	8,265	7,762
User charges revenue	7,582	7,798	5,422	6,759	4,155
Interest and investment revenue (losses)	245	7,736 586	886	765	839
Grants income – operating and capital	21,842	18,463	10,992	9,328	9,439
Total income from continuing operations	40,306	36,921	33,994	28,400	25,123
Sale proceeds from IPPE	314	279	440	710	39
New loan borrowings and advances	2,000	_	-	-	2,936
Outflows:					
Employee benefits and on-cost expenses	8,792	8,790	9,280	8,791	7,945
Borrowing costs	375	206	216	191	57
Materials and contracts expenses	9,553	10,623	5,464	6,573	4,617
Total expenses from continuing operations	27,779	29,286	27,534	26,419	22,994
Total cash purchases of IPPE	18,280	15,711	11,288	10,465	6,625
Total loan repayments (incl. finance leases)	273	245	240	286	169
Operating surplus/(deficit) (excl. capital income)	803	(665)	(84)	476	601
Financial position figures					
Current assets	42,700	34,656	34,146	33,272	30,320
Current liabilities	11,985	7,385	4,381	4,391	4,423
Net current assets	30,715	27,271	29,765	28,881	25,897
Available working capital (Unrestricted net current					
assets)	4,675	4,813	5,474	8,216	9,646
Cash and investments – unrestricted	5,284	4,337	4,633	5,297	9,405
Cash and investments – internal restrictions	10,928	10,583	11,199	10,767	6,660
Cash and investments – total	38,393	28,418	30,327	28,281	26,134
Total borrowings outstanding (loans, advances and					
finance leases)	6,021	4,294	4,539	4,779	1,016
Total value of IPPE (excl. land and earthworks)	491,117	473,938	447,222	432,236	351,938
Total accumulated depreciation	239,826	234,023	223,148	214,659	177,381
Indicative remaining useful life (as a % of GBV)	51%	51%	50%	50%	50%

Source: published audited financial statements of Council (current year and prior year)

## H1-2 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

#### 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

#### Opening hours:

8:30am - 5:00pm Monday to Friday

Internet: www.wentworth.nsw.gov.au
Email: council@wentworth.nsw.gov.au

## **Elected members**

**MAYOR** 

Melisa Hederics (1/7/2020 - 26/10/2020) Susan Nichols (9/11/2020 - 30/06/2021)

#### **COUNCILLORS**

Tim Elstone
Greg Evans
Steve Heywood
Jane MacAllister
Don McKinnon
Susan Nichols (1/7/2020 - 9/11/2020)

Peter Nunan Bill Wheeldon



#### INDEPENDENT AUDITOR'S REPORT

# Report on the general purpose financial statements Wentworth Shire Council

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

#### In my opinion:

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

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

## **Basis for Opinion**

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

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

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

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

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

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

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

#### Other Information

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

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

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

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

I have nothing to report in this regard.

## The Councillors' Responsibilities for the Financial Statements

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: <a href="https://www.auasb.gov.au/auditors">www.auasb.gov.au/auditors</a> responsibilities/ar4.pdf. The description forms part of my auditor's report.

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

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

James P

Manuel Moncada Delegate of the Auditor-General for New South Wales

28 October 2021 SYDNEY



Cr Susan Nichols Mayor Wentworth Shire Council PO Box 81 WENTWORTH NSW 2648

 Contact:
 Manuel Moncada

 Phone no:
 02 9275 7333

 Our ref:
 D2123108/1806

28 October 2021

Dear Mayor

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

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

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

## **INCOME STATEMENT**

## **Operating result**

	2021 \$m	2020 \$m	Variance %
Rates and annual charges revenue	9.16	8.82	3.9
Grants and contributions revenue	22.11	18.61	18.8
Operating result from continuing operations	12.53	7.64	64.0
Net operating result before capital grants and contributions	0.80	(0.67)	219

Council's operating result (\$12.53 million including the effect of depreciation and amortisation expense of \$8.08 million) was \$4.89 million higher/lower than the 2019–20 result. This was mainly due to increased revenue from capital grants and a reduction in operating expenditure.

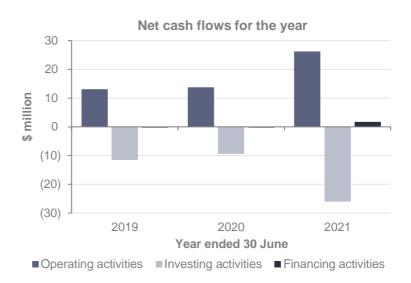
The net operating result before capital grants and contributions (\$0.80 million) was \$1.47 million higher than the 2019–20 result. This was due mainly due to the reduced operating expenditure noted above.

Rates and annual charges revenue (\$9.16 million) increased by \$0.34 million (3.9 per cent) in 2020–2021.

Grants and contributions revenue (\$22.11 million) increased by \$3.5 million (18.8 per cent) in 2020–2021 due to an increase income recognised for capital projects including the aerodrome.

#### 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 \$2.0 million to \$12.4 million at the close of the year.



#### **FINANCIAL POSITION**

#### Cash and investments

Cash and investments	2021	2020	Commentary
	\$m	\$m	
Total cash, cash equivalents and investments	38.4	28.4	<ul> <li>External restrictions include unspent specific purpose grants, contributions and loans, and water and sewerage funds.</li> </ul>
Restricted cash and investments:			<ul> <li>Balances are internally restricted due to Council policy or decisions for forward plans including works program.</li> </ul>
External restrictions	22.2	13.5	works program.
Internal restrictions	10.9	10.6	

#### **Debt**

After repaying principal and interest of \$648,000 and taking up new borrowings of \$2 million, total debt as at 30 June 2021 was \$6.0 million (2020: \$4.3 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.

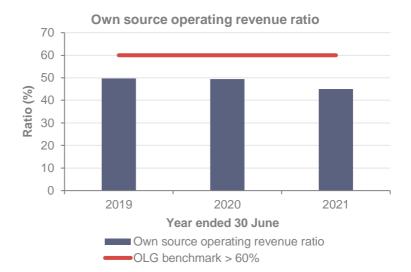
The Council met the OLG benchmark for the current reporting period.



#### 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.

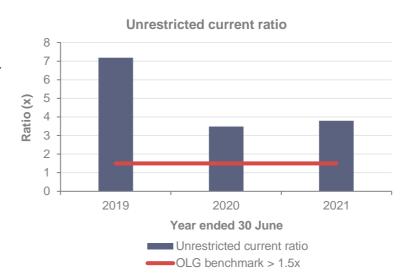
The Council did not meet the OLG benchmark for the current reporting period.



#### **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.

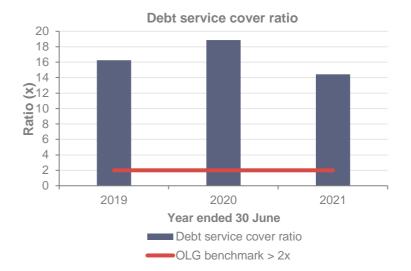
The Council exceeded the OLG benchmark for the current reporting period.



#### 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.

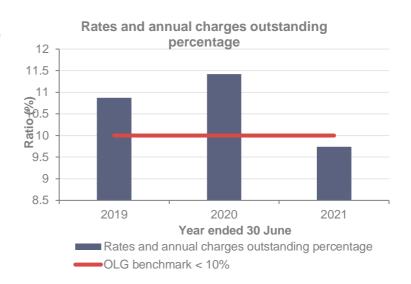
The Council exceeded the OLG benchmark for the current reporting period.



#### 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 met 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 met the OLG benchmark for the current reporting period.



#### Infrastructure, property, plant and equipment renewals

- Council's asset renewal additions for the year were \$15.5 million compared with \$14.9 million for the prior year
- The level of asset renewals during the year represented 191 percent of the total depreciation expense (\$8.1 million) for the year.

#### **OTHER MATTERS**

#### Legislative compliance

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

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

#### 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 Kiersten Fishburn, Secretary of the Department of Planning, Industry and Environment

SPECIAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2021

## **Special Purpose Financial Statements**

for the year ended 30 June 2021

Contents	Page
Statement by Councillors and Management	3
Special Purpose Financial Statements:	
Income Statement of water supply business activity Income Statement of sewerage business activity	4 5
Statement of Financial Position of water supply business activity Statement of Financial Position of sewerage business activity	6 7
Note – Significant Accounting Policies	8
Auditor's Report on Special Purpose Financial Statements	11

#### **Background**

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.
  - Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.
- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.
  - These include (a) those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and (b) those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities.
- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must (a) adopt a corporatisation model and (b) apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

## Special Purpose Financial Statements

for the year ended 30 June 2021

## Statement by Councillors and Management

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

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

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

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

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

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

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

Susan Nichols

Mayor

20 October 2021

Tim Elstone

Deputy Mayor 20 October 2021

Ken Ross General Manager

20 October 2021

Simon Rule

Responsible Accounting Officer

20 October 2021

# Income Statement of water supply business activity

for the year ended 30 June 2021

	2021 \$ '000	2020 \$ '000
Income from continuing operations		
Access charges	1,239	1.184
User charges	1,466	1,411
Fees	124	91
Interest	64	186
Grants and contributions provided for non-capital purposes	19	19
Other income	6	1
Total income from continuing operations	2,918	2,892
Expenses from continuing operations		
Employee benefits and on-costs	19	584
Materials and services	1,543	879
Depreciation, amortisation and impairment	684	701
Water purchase charges	5	6
Other expenses	59	315
Total expenses from continuing operations	2,310	2,485
Surplus (deficit) from continuing operations before capital amounts	608	407
Grants and contributions provided for capital purposes	931	1,608
Surplus (deficit) from continuing operations after capital amounts	1,539	2,015
Surplus (deficit) from all operations before tax	1,539	2,015
Less: corporate taxation equivalent [based on result before capital]	(158)	(112)
Surplus (deficit) after tax	1,381	1,903
Plus accumulated surplus	19,101	17,086
Plus adjustments for amounts unpaid:	450	440
<ul> <li>Corporate taxation equivalent</li> <li>Closing accumulated surplus</li> </ul>	158	112
	20,640	19,101
Return on capital %	1.8%	1.2%
Subsidy from Council	-	-
Calculation of dividend payable:		
Surplus (deficit) after tax	1,381	1,903
Less: capital grants and contributions (excluding developer contributions)	(931)	(1,542)
Surplus for dividend calculation purposes	450	361
Potential dividend calculated from surplus	225	181

# Income Statement of sewerage business activity

for the year ended 30 June 2021

	2021 \$ '000	2020 \$ '000
	, , , , ,	, , , , , , , , , , , , , , , , , , ,
Income from continuing operations	4 000	4 000
Access charges Interest	1,680	1,609
Grants and contributions provided for non-capital purposes	27 99	60 18
Other income	99	10
Total income from continuing operations	1,806	1,688
Expenses from continuing operations		
Employee benefits and on-costs	14	217
Borrowing costs	1	_
Materials and services	566	225
Depreciation, amortisation and impairment	751	786
Other expenses	94	125
Total expenses from continuing operations	1,426	1,353
Surplus (deficit) from continuing operations before capital amounts	380	335
Grants and contributions provided for capital purposes	431	1,293
Surplus (deficit) from continuing operations after capital amounts	811	1,628
Surplus (deficit) from all operations before tax	811	1,628
Less: corporate taxation equivalent [based on result before capital]	(99)	(92)
Surplus (deficit) after tax	712 <u></u>	1,536
Plus accumulated surplus Plus adjustments for amounts unpaid:	6,778	5,150
- Corporate taxation equivalent	99	92
Closing accumulated surplus	7,589	6,778
Return on capital %	1.6%	1.5%
Subsidy from Council	_	_
Calculation of dividend payable:		
Surplus (deficit) after tax	712	1,536
Less: capital grants and contributions (excluding developer contributions)	(431)	(987)
Surplus for dividend calculation purposes	281	549
Potential dividend calculated from surplus	141	274

# Statement of Financial Position of water supply business activity

as at 30 June 2021

	2021 \$ '000	2020 \$ '000
ASSETS		*
Current assets		
Cash and cash equivalents	9,409	9,154
Receivables	1,248	1,082
Total current assets	10,657	10,236
Non-current assets		
Infrastructure, property, plant and equipment	34,571	33,205
Total non-current assets	34,571	33,205
Total assets	45,228	43,441
LIABILITIES		
Current liabilities		
Payables		23
Total current liabilities	-	23
Total liabilities		23
Net assets	45,228	43,418
EQUITY		
Accumulated surplus	20,640	19,101
Revaluation reserves	24,588	24,317
Total equity	45,228	43,418

# Statement of Financial Position of sewerage business activity

as at 30 June 2021

	2021	2020
	\$ '000	\$ '000
ASSETS		
Current assets		
Cash and cash equivalents	3,607	2,631
Receivables	293	386
Total current assets	3,900	3,017
Non-current assets		
Infrastructure, property, plant and equipment	23,337	22,538
Total non-current assets	23,337	22,538
Total assets	27,237	25,555
LIABILITIES		
Current liabilities		
Payables	_	43
Borrowings	69	
Total current liabilities	69	43
Non-current liabilities		
Borrowings	681	
Total non-current liabilities	681	-
Total liabilities	750	43
Net assets	26,487	25,512
EQUITY Accumulated curplus	<b>-</b>	0.770
Accumulated surplus Revaluation reserves	7,589	6,778
	18,898	18,734
Total equity	26,487	25,512

## Note - Significant Accounting Policies

A statement summarising the supplemental accounting policies adopted in the preparation of the special purpose financial statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

These financial statements are SPFS prepared for use by Council and the Office of Local Government. For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these special purpose financial statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these special purpose financial statements have been prepared in accordance with the *Local Government Act* 1993 (Act), the *Local Government (General) Regulation 2005* (Regulation) and the Local Government Code of Accounting Practice and Financial Reporting.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, fair value of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

#### **National Competition Policy**

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government. The framework for its application is set out in the June 1996 NSW Government Policy statement titled 'Application of National Competition Policy to Local Government'. *The Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, and returns on investments (rate of return and dividends paid).

#### **Declared business activities**

In accordance with Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality, Council has declared that the following are to be considered as business activities:

#### Category 1

(where gross operating turnover is over \$2 million)

#### a. 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

#### **Taxation equivalent charges**

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

## Note - Significant Accounting Policies (continued)

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

#### Notional rate applied (%)

Corporate income tax rate - 26%

<u>Land tax</u> – the first \$755,000 of combined land values attracts **0%**. For the combined land values in excess of \$755,000 up to \$4,616,000 the rate is **1.6%** + **\$100**. For the remaining combined land value that exceeds \$4,616,000 a premium marginal rate of **2.0%** applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$1,200,000.

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 Dol – 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 Dol – 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 26%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations - it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in the SPFS.

The rate applied of 26% 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 for all Category 1 businesses has been applied to all assets owned, or exclusively used by the business activity.

#### Loan and debt guarantee fees

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

#### (i) Subsidies

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

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

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

## Note - Significant Accounting Policies (continued)

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 30/6/21.

#### (iii) Dividends

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

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

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

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2021 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

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



#### INDEPENDENT AUDITOR'S REPORT

# Report on the special purpose financial statements

#### **Wentworth Shire Council**

To the Councillors of the 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 2021, the Statement of Financial Position of each Declared Business Activity as at 30 June 2021 and the Significant accounting policies note.

The Declared Business Activities of the Council are:

- Water Supply Business Activity
- Sewerage Business Activity

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2021, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in the Significant accounting policies note and the Local Government Code of Accounting Practice and Financial Reporting 2020–21 (LG Code).

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

#### **Basis for Opinion**

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

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

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

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

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

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

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

### **Emphasis of Matter - Basis of Accounting**

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

#### Other Information

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

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

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

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

I have nothing to report in this regard.

#### The Councillors' Responsibilities for the Financial Statements

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

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: <a href="https://www.auasb.gov.au/auditors">www.auasb.gov.au/auditors</a> 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

28 October 2021 SYDNEY

SPECIAL SCHEDULES for the year ended 30 June 2021

## **Special Schedules**

for the year ended 30 June 2021

Contents	Page
Special Schedules:	
Permissible income for general rates	3
Report on infrastructure assets as at 30 June 2021	7

## 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

## Permissible income for general rates

		Calculation 2020/21	Calculation 2021/22
	Notes	\$ '000	\$ '000
Notional general income calculation <sup>1</sup>			
Last year notional general income yield	а	5,271	5,462
Plus or minus adjustments <sup>2</sup>	b	54	68
Notional general income	c = a + b	5,325	5,530
Permissible income calculation			
Or rate peg percentage	е	2.60%	2.00%
Or plus rate peg amount	i = e x (c + g)	138	111
Sub-total	k = (c + g + h + i + j)	5,463	5,641
Plus (or minus) last year's carry forward total	I	122	123
Sub-total	n = (I + m)	122	123
Total permissible income	o = k + n	5,585	5,764
Less notional general income yield	р	5,462	5,673
Catch-up or (excess) result	q = o - p	123	91
Less unused catch-up <sup>3</sup>	s		(88)
Carry forward to next year <sup>4</sup>	t = q + r + s	123	3

#### **Notes**

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the Valuation of Land Act 1916.
- (3) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (4) 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 2022.

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

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

#### **Basis for Opinion**

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

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

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

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

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

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

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

#### **Emphasis of Matter - Basis of Accounting**

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

#### Other Information

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

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

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

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

I have nothing to report in this regard.

#### The Councillors' Responsibilities for the Schedule

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

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

#### Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: <a href="https://www.auasb.gov.au/auditors">www.auasb.gov.au/auditors</a> 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

28 October 2021 SYDNEY

## Report on infrastructure assets as at 30 June 2021

Asset Class	Asset Category	Estimated cost to bring assets	agreed level of service set by	2020/21 Required maintenance <sup>a</sup>	2020/21 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets		ition as a eplacem		ntage of t
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Buildings	Buildings	1,717	1,717	400	300	_	72,601	40.0%	35.0%	20.0%	5.0%	0.0%
	Sub-total	1,717	1,717	400	300	34,416	72,601	40.0%	35.0%	20.0%	5.0%	0.0%
Other	Other structures	154	154	5	16	3,481	5,533	30.0%	50.0%	15.0%	5.0%	0.0%
structures	Sub-total	154	154	5	16	3,481	5,533	30.0%	50.0%	15.0%	5.0%	0.0%
Roads	Sealed roads	4,439	4,439	800	635	86,056	186,913	35.0%	50.0%	10.0%	5.0%	0.0%
	Unsealed roads	202	202	1,335	901	2,661	6,077	20.0%	20.0%	20.0%	20.0%	20.0%
	Bridges	442	442	5	_	6,864	12,632	40.0%	50.0%	5.0%	5.0%	0.0%
	Footpaths	75	75	193	126	3,157	6,457	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%
	Other road assets (incl. bulk earth works)	_	_	_	_	_	_	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	5,158	5,158	2,333	1,662	289,530	402,690	65.9%	25.8%	5.2%	2.8%	0.3%
Water supply	Water supply network	9,355	9,355	407	573	_	58,311	15.0%	40.0%	15.0%	20.0%	10.0%
network	Sub-total Sub-total	9,355	9,355	407	573	30,672	58,311	15.0%	40.0%	15.0%	20.0%	10.0%
Sewerage	Sewerage network	3,662	3,662	250	247	_	47,214	15.0%	20.0%	45.0%	5.0%	15.0%
network	Sub-total	3,662	3,662	250	247	18,353	47,214	15.0%	20.0%	45.0%	5.0%	15.0%
Stormwater	Stormwater drainage	318	318	111	77	_	25,008	25.0%	55.0%	18.0%	2.0%	0.0%
drainage	Sub-total Sub-total	318	318	111	77	15,221	25,008	25.0%	55.0%	18.0%	2.0%	0.0%
Open space /	Swimming pools	513	513	58	35	1,724	3,137	0.0%	0.0%	70.0%	30.0%	0.0%
recreational	Playgrounds	31	31	9	12	189	662	30.0%	35.0%	25.0%	7.0%	3.0%
assets	Sub-total	544	544	67	47	1,913	3,799	5.2%	6.1%	62.2%	26.0%	0.5%

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

Asset Class	Asset Category	stimated cost o bring to the greed level of 2020/21 2020/21 service set by Required Actual Council maintenance a maintenance			Net carrying a	Gross replacement cost (GRC)	Assets	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000 \$ '000	\$ '000	1	2	3	4	5
Other infrastructure	Weir, Wharf Banks	542	542	112	33	_	13,386	35.0%	55.0%	5.0%	5.0%	0.0%
assets	Sub-total	542	542	112	33	10,486	13,386	35.0%	55.0%	5.0%	5.0%	0.0%
	Total – all assets	21,450	21,450	3,685	2,955	404,072	628,542	51.4%	29.6%	11.8%	5.0%	2.3%

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

#### Infrastructure asset condition assessment 'key'

# Condition Integrated planning and reporting (IP&R) description

Excellent/very good No work required (normal maintenance)
Cood Only minor maintenance work required

3 Satisfactory Maintenance work required

Poor Renewal required

5 Very poor Urgent renewal/upgrading required

## Report on infrastructure assets as at 30 June 2021

## Infrastructure asset performance indicators (consolidated) \*

	Amounts	Indicator	Indic	Benchmark	
\$ '000	2021	2021	2020	2019	
Buildings and infrastructure renewals ratio					
Asset renewals 1	13,520	203.92%	103.05%	73.58%	>= 100 000/
Depreciation, amortisation and impairment	6,630	203.92 /6	103.05%	73.36%	>= 100.00%
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory					
standard	21,450	5.31%	5.32%	5.59%	< 2.00%
Net carrying amount of infrastructure assets	404,071				
Asset maintenance ratio					
Actual asset maintenance	2,955	80.19%	81.76%	00 220/	> 100 000/
Required asset maintenance	3,685	00.19%	01.70%	98.32%	> 100.00%
Cost to bring assets to agreed service level					
Estimated cost to bring assets to					
an agreed service level set by Council	21,450	3.41%	2.86%	3.70%	
Gross replacement cost	628,542				

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

<sup>(1)</sup> 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 as at 30 June 2021

## Infrastructure asset performance indicators (by fund)

	Genera	al fund	Water fund		Sewer fund		Benchmark
\$ '000	2021	2020	2021	2020	2021	2020	
Buildings and infrastructure renewals ratio Asset renewals   Depreciation, amortisation and impairment	232.86%	113.78%	172.69%	7.58%	31.96%	104.33%	>= 100.00%
Infrastructure backlog ratio Estimated cost to bring assets to a satisfactory standard Net carrying amount of infrastructure assets	2.38%	2.38%	30.50%	31.28%	19.95%	19.58%	< 2.00%
Asset maintenance ratio Actual asset maintenance Required asset maintenance	70.51%	78.80%	140.79%	119.90%	98.80%	55.60%	> 100.00%
Cost to bring assets to agreed service level Estimated cost to bring assets to an agreed service level set by Council Gross replacement cost	1.61%	1.63%	16.04%	16.50%	7.76%	0.00%	

<sup>(1)</sup> 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.

