

Central Darling Shire

ANNUAL REPORT 2018/19



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OUR SHIRE

Central Darling Shire encompasses an area of over 53,000 square kilometres, it covers an area about the size of Tasmania making it the largest Local Government Area (LGA) in New South Wales. Conversely, population figures for the Shire are the lowest with 1,837 residents dispersed throughout and surrounding the towns of Ivanhoe, Menindee, Wilcannia and White Cliffs, and its localities of Darnick, Mossgiel, Sunset Strip and Tilpa.



The principal economic activities within the Shire include pastoral, horticultural, agricultural, mining and tourism. Rural grazing properties represent the largest land use within the Shire, accounting for 97% of the entire area.

The Central Darling Shire is bounded by the Shires of Bourke, Cobar, Carrathool, Balranald, Wentworth and the Unincorporated Area.

OUR VISION

Central Darling Shire will be a great place to live and visit.

OUR MISSION

“Realising quality opportunities for all in the Central Darling Shire through

- Effective leadership
- Community development through involvement, participation, partnership, ownership and collaborative approach
- Facilitation of services
- Community ownership
- Delivery of consistent, affordable and achievable services and facilities.

OUR TOWNS

Menindee



Menindee is an oasis in the Outback, a beautiful spot to soak up the outback atmosphere with the convenience of modern services at your fingertips. Dubbed the first town on the Darling River, Menindee has a rich Indigenous and European history. Menindee is located close to Kinchega National Park where visitors can enjoy spectacular views of the Menindee Lakes and the Darling River, as well as close encounters with local with local wildlife.

Menindee is associated with bold explorers of the outback, Burke and Wills, Mitchell and Sturt, and the pastoral tradition of wool production and labouring paddle steamers transporting bales to market. Many travellers today are surprised to find the Lakes that Major Mitchell originally named “Laidley’s Ponds”.

Ivanhoe



Ivanhoe is a town situated on the Cobb Highway 220 kilometres northwest of Hay. The township provides visitors with a pleasant break to their journey in an outback pastoral community. Friendly people, clean amenities, landscaped recreational areas and a self-guided Heritage Trail, enable visitors to enjoy a short break and gain an insight into the town’s interesting past.

Retrace the exploits of bushrangers, the journeys of Cobb & Co and the advent of the railways as you follow the Ivanhoe Heritage Trail. Through tough times and good, flood and crippling drought, towns like Ivanhoe have earned their place in Australian history.

Wilcannia



Wilcannia has a rich and vibrant history. Once known as the “Queen City of the West”, it was the third largest shipping port in Australia. In the boom years of the 1880s, sandstone was quarried locally for the beautiful buildings that stand today as a reminder of those heady days.

A short drive or walk around town will reveal the great sandstone buildings, historic centre Loft Bridge and old wharf that handled all that cargo so many years ago. Wilcannia has a large Aboriginal community, being the traditional home of the Barkandji people (Barka Meaning River).

White Cliffs



White Cliffs is unique! Precious seam opal was discovered in White Cliffs in the 1890s and opal from this field was the first to be marketed overseas (giving White Cliffs the distinction of being known as Australia’s First Commercial Opal Field).

To escape the high summer temperatures, early miners soon began to live in their working mines enjoying the constant underground temperature in the mid-twenties all year round. These were known as “dugouts” and became home for many miners.

Today, modern dugout homes provide a unique housing style for many White Cliffs residents with all the conveniences of any modern home but being environmentally friendly, little heating or cooling is required.

Tilpa



The origin of the name “Tilpa” may be found in the Barkindji word “thulpa”, which means “floodwaters”, for it is in the vicinity of Tilpa that the Darling River floods up to 70 kilometres wide in major floods.

The village of Tilpa came into existence in 1876 when Arthur Cotton opened a store. James Buckley built the Wee Wattah Hotel where the Tilpa Trading Post is now located in the same year.

By 1894, Cotton’s store was owned by David Jones & Co. who sold it to Edmond Perrott who turned it into a hotel named the Royal. This is the existing Tilpa Hotel.

In 1880 a Postal Receiving Office was opened in the store. Tilpa had a school from 1896 till its closure in 1945.

A punt served as the only means of crossing the Darling River at Tilpa until the bridge was completed in December 1963.

Sunset Strip



Sunset Strip was gazetted in 1965 as a village within the Central Darling Shire, 20kms north of Menindee, situated on the northern shore of Lake Menindee. A unique outback take on a holiday by the sea, Sunset Strip is a home-away-from-home for many Broken Hill residents needing a weekend escape. Sunset Strip can boast having its own Post Office and Community Hall with boating, fishing, golf and tennis being some of the activities available.

MESSAGE FROM THE ADMINISTRATOR

The 2018/19 Financial Year has been one of many challenges.

The Administrator, Mr Greg Wright announced his resignation from the position in February 2019.

Mr Wright was appointed Interim Administrator in 2013 and subsequently Administrator until the September 2020 local government elections.

During that period Central Darling Shire's financial position has significantly improved due to his leadership and experience. I wish to record Council's appreciation for his professionalism and guidance during his time as Administrator.

I was pleased to accept the appointment of Administrator until September 2020.

My focus has been and will continue to:

- improve the financial position of Council
- engage the community
- advocate on behalf of all Shire residents
- build the capacity of the organisation.



The continuing prolonged drought has contributed to the challenges of providing services and governance which has demanded considerable organisational capacity at the expense of day to day issues. Ensuring that each of our communities continue to receive a safe and secure water supply has been a priority. At the same time there is a lot of work by the State and Federal Governments in the water policy area and we have attempted to have input to ensure the long-term interests of our communities are accounted in final decisions.

The drying of the Darling River and the fish kills at Menindee in 2018/19 focused media and political attention on Far Western NSW. It is recognised that this negative attention can impact on perceptions of a locality and investment and we have attempted to leverage opportunities for infrastructure investment to build local capacity.

I wish to acknowledge the hard work of the many locals who I have stepped into to the media and political spotlight to advocate and put the issue at the front of the public and Governments.

The timing of the state and Federal Elections also provided a unique set of circumstances to lobby for investment in the Shire. The General Manager and myself have undertaken extensive lobbying on behalf of the Shire. I wish to acknowledge the support of Ministers and Local, Federal and State Members who have advocated on projects.

As a result, funding was secured for a number of significant projects for the Shire being:

- Menindee to Pooncarie Road upgrade, \$25 million
- Wilcannia Weir upgrade, \$30 million
- Baaka Cultural Centre, \$7 million
- Menindee Native Fish Hatchery, \$5 million
- Wilcannia Water Treatment Plant upgrade, \$3.5 million

The Federal Government in August 2018, announced a \$1 million funding grant to local councils impacted by drought and Council allocated this money for:

- Community Projects and Events
- Bores on Public Land
- Water Carting
- Smart Water Meters

As part of the administration I was asked to contribute to the decision-making process to determine if Council was ready to return to an elected Council in 2020. Whilst Council's financial position has improved there are still significant organisational capacity and governance issues impacting its ability to function as a modern sustainable Council capable of meeting its legislative responsibilities and providing support to the elected body.

A Council must operate within the legislative framework of the *Local Government Act 1993* and other relevant legislation. There are several major organisational legacy issues outstanding that require addressing to enable a elected Council to succeed. For example, there is a need to review all policies, Council's Integrated Planning and Reporting processes, outstanding rates and debt recovery. Unless these are addressed Council will find compliance impossible. This will take time and resources which to date have not been available.

Strengthening the governance of the organisation has been a priority and the appointment an Internal Audit Committee, Code of Conduct training to all staff and adoption of Code of Meeting Practice Policy has been undertaken.

As part of the ongoing discussions with the Government I have advocated that external resources must be provided to enable these capacity issues to be addressed. Council has been invited to prepare and lodge a submission. This will be done based on a risk assessment of the organisation.

The Minister for Local Government's decision not to hold elections in 2020 and continue under administration for another four years until 2024 will provide the opportunity to continue the rebuilding of the organisation and develop a robust and effective plan for future governance of local communities throughout the Shire.

I am aware there has been mixed reactions to this decision and the loss of local democracy and understand the concerns. To address these, I propose to change the current engagement process and provide a mechanism for local communities to have direct input to the Administrator to better inform the decision-making process. This will be a priority in the New Year.

I have received a number of representations on the sustainability of increasing rates and charges and the community's capacity to pay. This is recognised and we are continuing to lobby on the issue of new capital investment and the accounting standard requiring the costing of depreciation and the recognition by Central Government of its community service obligation to provide services to small rural remote communities.

Central Darling because of its small rate base, socio economic characteristics and capacity of residents to pay will always be dependent on Central Governments to fund the full cost of major community infrastructure. A new model for Rural and Remote Shires with small populations is required and we have lobbied in this regard.

Thank you to all our residents and volunteers who continue to support their local communities through many countless hours of unpaid work, please know that it is appreciated and valued.

Finally, to our hard-working staff thank you for your efforts over the period.

Bob Stewart
Administrator

FROM THE OFFICE OF THE GENERAL MANAGER



The Annual Report provides an overview of Council's operations and performance during the previous 12 months, exemplifying the dedication and commitment by the staff of the Council to the ongoing task of rebuilding the Council's financial/governance sustainability and ensuring improved and additional service delivery.

Even though, Council is now in a positive financial position, there is still much work to be done with our financial and governance systems to ensure our sustainability in the long term. Our finance team has worked hard during this financial year to replace Council's Financial Chart of Accounts to make accounting and financial reporting easier and more efficient.

Business and Shire Services Departments have worked hard together to provide a suite of Asset Management Plans that will underpin Council's Long Term Financial Plan for future years. We still need to address the issue of depreciation of Council assets; whilst we are in a positive financial position, we are not sustainable in the long term and will continually be reliant on State and Federal funding for the renewal of council owned assets. Discussions have been held and will continue with the State Government with further financial support, or alternatively certain assets will be handed over to the government for their ownership, with Council continuing involvement to maintain these assets.

Throughout the year, Shire Services Department continues to provide valuable income with the State Government Roads and Maritime Services contracts, with maintenance and constructions works on the Barrier and Cobb Highways. State and Federal Drought Assistance grants has provided additional income for Council in providing infrastructure to secure water supply for towns and road maintenance activities, as well numerous inclusion activities to ensure social engagement throughout our communities during this prolonged drought.

The start of 2019 was difficult times, with fish kills at Menindee receiving attention in national and international media outlets, which was political platform for the State and Federal elections. At White Cliffs several public meetings with State Government were held about licensing agreement for dugouts due to the Barkindji Native Title Determination, this since has been resolved. State Government Election saw the Member for Barwon Kevin Humphries retire, with a new political party elected "Shooters, Fishers and Farmers Party", Roy Butler MP representing Barwon. The Federal Government Election saw the re-election of "National Party" Member Mark Coulton MP returned to the Seat of Parkes, who is also the Federal Minister for Local Government. We look forward in the future working with both Members to ensure our sustainability and improve the quality of living standards in our shire.

We are keen to continue to work with all our communities, tourism associations and other clubs in progressing Council projects, joint projects and projects that associations are undertaking on our behalf. We also try to communicate and engage with our communities, residents and ratepayers through various means including, local and regional newspapers in our area, community newsletters, media releases, Social Media and our website.

I express my appreciation to the staff for their continued endeavours in addressing the organisational demands in this challenging environment with their dedication and ongoing commitment to serving the residents of the Shire.

Greg Hill
General Manager

MANAGEMENT TEAM



Bob Stewart
Administrator



Greg Hill
General Manager



Reece Wilson
Director Shire Services



Jacob Philp
Director Business Services

COUNCIL'S ACHIEVEMENTS IN IMPLEMENTING THE DELIVERY PROGRAM

Delivery Program Performance Measures

The tables below show the Delivery Program measures that have been identified to assess the Council's performance in implementation of the Delivery Program in 2018/19.

Strategy	Action	Performance Target	Responsibility	Status
1.1.1 Relevant and quality health and family support services for all members of our community	Advocate for the continual funding of services and programs	Retain and enhance existing health services	Business Services	Ongoing
	Advocate for appropriate and accessible health services		Business Services	Ongoing
	Advocate for services that support healthy lifestyles	Continuous improvement program (as part of the operational plan - service level agreements)	Business Services	Ongoing
	Support services that address alcohol and substance misuse in our communities		Business Services	Ongoing
1.2.1 Health, improved aged care and disability services in collaboration with service providers	Investigate possible government policy change to better reflect the aged care needs of rural and remote communities	Develop strategies that encourage older residents to remain within our communities	Business Services	Ongoing
	Ensure that services to the ageing are coordinated, effective and appropriate		Business Services	Ongoing
	Investigate options to deliver aged care facilities		Business Services	Ongoing
	Ensure the continuation of funding to assist in the provision of home care services	Investigate strategies that provide for aged care that enables older residents to be integrated and active in our communities	Business Services	Ongoing
	Ensure the on-going review and implementation of disability improvement programs		Business Services	Ongoing
	Liaise with appropriate local health services on public health related matters		Business Services	Ongoing

	Develop and review a Disability Inclusion Action Plan	Continuous improvement program (as part of the operational plan- service level agreements)	Business Services	Completed
1.3.1 Culture and Art: Development of creative industries, culture and art	Advocate for increased local participation opportunities for community based arts and cultural groups	Maintain relationships with Regional and State Arts organisations	Business Services	Ongoing
1.4.1 Youth, Sport and Recreation Options for the whole community	Investigate options for external funding to provide additional and enhanced recreational facilities	Enhance sporting facilities and opportunities in the communities		Ongoing
	Investigate the provision of youth recreational facilities	Provide active and passive recreational facilities		Ongoing
	Ensure adequate budget allocation in annual Operational Plan to assist with grant applications for additional and enhanced recreational facilities	Investigate the provision of leadership opportunities for our young people		Ongoing
	Investigate options for the provision of contractual arrangements for the operation of swimming pools across the Shire	Investigate the provision of leadership opportunities for our young people		Deferred
1.4.2 Community Housing	Liaise and facilitate partnership with housing providers	Maintain partnerships with community housing providers, Aboriginal Land Councils and Aboriginal Housing Office.	Business Services	Ongoing
1.5.1 Public Order and Safety	Continue partnership with Police to enforce Alcohol Free Zones in our communities	Ensure the continuation and enforcement of alcohol free zones	Shire Services	Ongoing
	Develop strategies with government agencies to addresses crime prevention issues	In conjunction with other agencies, promote development of crime prevention programs that focus on healthier and safer communities	Shire Services	Ongoing
	Liaise with NSW Police through attendance and participation on the Community Safety Precinct Committee		Shire Services	Ongoing
	Investigate funding opportunities for the implantation of CCTV as required		Shire Services	Ongoing

	Support and assist emergency services by participating in scheduled meetings and reporting to Council	Investigate the implementation of CCTV crime prevention strategies when funding available	Shire Services	Ongoing
	Ensure availability of microchipping and veterinary services as funding available	Continued provision of enforcement of animal control services	Shire Services	Ongoing
	Maintain consistent animal control practices		Shire Services	Ongoing
	Develop partnership with AMRRIC to assist with education programs for Council and communities.		Shire Services	Not commenced
	Review of Strategic Companion Animal Management Plan		Shire Services	Not commenced
2.1.1 Sustainable economic development of Shire towns	Review and update Tourism and Economic Development Strategy	Develop an economic development strategic framework that supports the retention and growth of existing businesses	Business Services	Not commenced
	New plans and strategies are developed in line with community needs that encourages economic growth		Business Services	Not commenced
	Review opportunities and benefits of membership of the relevant regional/state tourism board	Encourage the establishment of new and expansion of existing industries and businesses	Business Services	Ongoing
	Ensure that all policies, plans and procedures are updated and appropriate to maintain development in the Shire		Business Services	Underway
	Monitor population projections and statistical data relating to the Shire to assist in making informed decisions	Investigate funding opportunities to support retention of heritage buildings	Business Services	Ongoing
	Seek and apply for grant funding to enable opportunities to support the retention of heritage buildings		Business Services	Ongoing

2.2.1 Succession Planning – employment strategy	Develop partnership with job network agencies to identify employment opportunities	Maintain relationships with job networks	Business Services	Underway
	Research and develop opportunities for traineeships	Develop traineeship opportunities- two per annum	Business Services	Ongoing
2.3.1 Opportunities for the highest level of education and training for all members of the community	Lobby government bodies for support and financial assistance for educational programs	Increased number of locally offered traineeships and educational programs	Business Services	Ongoing
	Encourage the take up of educational opportunities		Business Services	Ongoing
	Assist in promoting traineeships and career paths post traineeship		Business Services	Ongoing
	Encourage participation of traineeship and educational opportunities through effective communication		Business Services	Ongoing
2.4.1 Enhance Tourism Assets	Inspect and maintain Heritage Trail Interpretive panels (tourism signage)	100% of interpretive panels and relevant signage inspected and repaired/ updated	Shire Services	Completed
	Investigate the options for dissemination of tourist information in each community	Increased dissemination streams of tourist information	Business Services	Underway
	Investigate the opportunity for community/tourism/educational use of the solar power station site in White Cliffs		Shire Services	Underway
3.1.1 Environmental and education	Environmental issues are included in Council staff induction and review programs	Council staff trained in environmental issues	Shire Services	Completed
	Continue to lobby to increase environmental flows in the Darling River		Shire Services	Ongoing
3.1.2 Tree planting	Free trees distributed as part of National Tree Day	Actively support and contribute to National Tree Day	Shire Services	Deferred

3.1.3 Plastic Bag reduction	Investigate strategies to eradicate plastic bags from all communities	Decline in plastic bag supply and use	Shire Services	Ongoing
3.1.4 Waste management	Review tip and waste operations, access and recycling programs	Reduction in waste going to landfill; minimal number of issues raised by EPA; increased level of recycling	Shire Services	Ongoing
	Continue to engage NetWaste to explore recycling options		Shire Services	Completed
	Lobby government for re-introduction of container deposit levy		Shire Services	Completed
3.1.5 Weed management	Investigate the Shire's responsibility for weed control and seek appropriate opportunities for funding	Meetings held with relevant government agencies	Shire Services	Underway
3.2.1 Visually attractive and functional town entrances and streetscapes	Complete review of Central Darling Shire Council's Local Heritage Strategy	Review Central Darling Shire Council's Local Heritage Strategy	Shire Services	Ongoing
	External Heritage Advisor to visit area three times per year	Heritage Advisor engaged	Shire Services	Completed
	Continue to seek funding (State and Federal) for heritage projects	Investigate opportunities to redevelop and enhance streetscapes and entrances to all towns	Shire Services	Ongoing
	Continue to seek funding to provide for privately owned heritage buildings		Shire Services	Underway
	Seek funding to enable opportunities to redevelop and enhance streetscapes and entrances to all towns		Shire Services	Ongoing
3.3.1 Stormwater is managed throughout each community	Stormwater drainage system functions to an acceptable standard	Stormwater Management Plan to be reviewed	Shire Services	Not commenced
	Develop a plan to identify, investigate and design suitable solutions for storm water issues in communities		Shire Services	Not commenced

	Maintain network of kerb, gutter and stormwater drainage to an appropriate standard		Shire Services	Ongoing
3.3.2 Safe and reliable water supply for Shire communities	Lobby for the completion of the Wilcannia Weir	Develop integrated water management plans for each community	Shire Services	Underway
	Ensure that potable and raw water supplies are provided within designated water districts of Ivanhoe and Wilcannia		Shire Services	Underway
	Maintain the consistency of water supply to the White Cliffs community and investigate and improve the provision of a potable supply as a matter of urgency		Shire Services	Underway
	Construct the new water treatment plant and associated infrastructure to ensure improved water supply for White Cliffs		Shire Services	Underway
3.3.3 Water testing and treatment	Ensure that potable water meets the guidelines set by NSW Health	Quality Water Testing meets the NSW Health standards	Shire Services	Ongoing
3.3.4 Water supply management	Review and improve water supply management strategies	All relevant water plans are reviewed	Shire Services	Ongoing
	Review contingency plans for each community to maintain water supplies		Shire Services	Ongoing
3.4.1 Safe and reliable network of roads throughout the Shire	Investigate alternative options for road surfaces	All roads throughout the Shire meet RMS standards	Shire Services	Ongoing
	Ensure all roads within the Shire are maintained at an appropriate standard		Shire Services	Ongoing
	Review road hierarchy with standard levels and priority roads listing		Shire Services	Underway
	Prepare costing report for roads in the Shire to establish and maintain to current identified standard. Determine short fall from specified standard to current condition of roads		Shire Services	Ongoing

	Continue to lobby for road funding for all roads in the Shire, specifically Cobb Highway, Wooltrack Road and Pooncarie-Menindee Road		Shire Services	Underway
3.4.2 Traffic Management	Review the usage of signage on Council owned area and/or operated land	Traffic management committee meetings as required to review traffic issues	Shire Services	Underway
	Conduct street signage audit in each Shire town and replace as required		Shire Services	Underway
3.4.3 Maintain Airports to acceptable condition	Conduct weekly inspection and maintenance program to Airports	Maintenance programs completed in accordance with CASA standards	Shire Services	Ongoing
	Conduct weekly inspection and maintenance program to Airports		Shire Services	Ongoing
	Continue to liaise with RFDS and RFS		Shire Services	Underway
	Seek funding to upgrade Airports		Shire Services	Ongoing
3.4.4 Council and Community assets are maintained and managed responsibly	Complete development of asset management plans	Asset maintenance program developed and operational (see Asset Maintenance Program)	Shire Services	Underway
	Develop asset maintenance program		Shire Services	Underway
	Asset register reviewed and updated		Shire Services	Underway
	Identify and rectify high-risk footpath hazards in a coordinated and systematic manner		Shire Services	Ongoing
	Develop a Disability Inclusion Action Plan	Development of a Disability Inclusion Action Plan to address access issues	General Manager	Ongoing
3.4.5 Ensure that public toilet facilities are maintained to a standard acceptable to the wider community and visitors	Toilets cleaned in accordance with regular cleaning schedule	Prompt response to complaints about cleanliness	Shire Services	Ongoing

3.4.6 Maintain Cemeteries	Encourage more community involvement in local committees – cemetery beautification programs	Support current committee structure	Shire Services	Ongoing
	Maintain and update cemetery records as information becomes available		Shire Services	Ongoing
3.4.7 Playgrounds are provided and maintained to meet community standards	Review the audit of all playgrounds within the Shire	One compliant (Australian Standards) playground in each town	Shire Services	Ongoing
	Plan for new playgrounds and the upgrade of existing playgrounds in consultation with the community		Shire Services	Ongoing
	Ensure maintenance schedule for all playgrounds within the Shire is compliant		Shire Services	Ongoing
	Research and apply for funding for playground renewal		Shire Services	Underway
3.5.1 To provide a well skilled and resourced planning and development function that ensures orderly development	Management of all planning, development and building regulatory functions in accordance with legislative and LEP requirements	Development Applications, inspections and certifications undertaken within customer charter timeframes	Shire Services	Ongoing
4.1.1 Effective communication and consultation with our community	Liaise with Aboriginal and Torres Strait Islander representatives to identify service needs and assist in planning for improved service delivery	Enhanced communication activities with community groups and residents	General Manager	Ongoing
	Continue Administrator and General Manager consultations with communities on a regular basis		General Manager	Ongoing
	Develop a Community Engagement Strategy		General Manager	Underway

	Foster and co-ordinate an extensive network of partnerships in delivering services to the community	Develop a governance framework that underpins openness and transparency for stakeholders	General Manager	Ongoing
	Proactively encourage community members to take an interest in community leadership		General Manager	Ongoing
	Identify and conduct appropriate levels of training for Councillors on their roles, responsibilities and leadership aspirations		General Manager	Deferred
4.2.1 Effective community service provision in the Shire through a strategic and collaborative approach	Provide information about volunteering via CDSC website and through a flyer in rates notice	Information uploaded to CDSC website and is regularly updated	Business Services	Ongoing
	In partnership with community organisations encourage an increase in the number of volunteers and their skills	Support educational institutions and organisations in the Shire to encourage youth leadership and positive community behaviour	Business Services	Ongoing
	Identify events and programs to engage students and schools in appropriate activities including in collaboration with Young Leaders Program		Business Services	Ongoing
	Participate in remote service delivery team meetings		Business Services	Ongoing
	Management of Council's finances in accordance with, accepted local government financial sustainability principles and adopted Council strategies		Business Services	Ongoing
4.3.1 A professional and cohesive organisational climate	Identify and conduct appropriate levels of training for Councillors and staff on their roles and responsibilities	Improved internal communication outcomes	General Manager	Deferred
	Review of organisational structure in consultation with Council and staff	Develop internally targeted training sessions to address any identified communication issues	General Manager	Ongoing

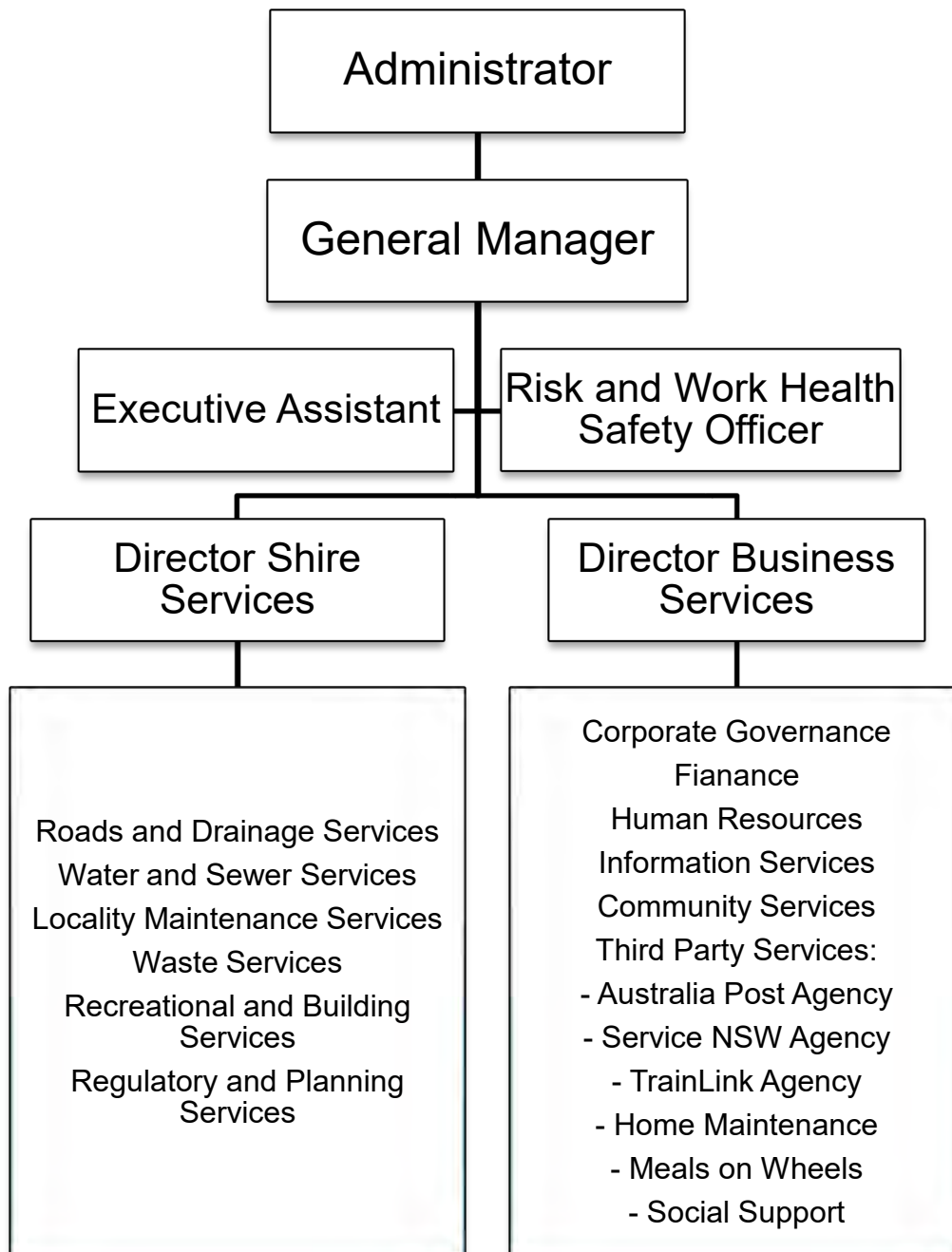
	Review of Council's Delegation Register to ensure staff are aware of their legislative responsibilities and limits of authority	Determine internal and external reporting needs through review of statutory reporting requirements	General Manager	Completed
	Provision of an active training regime for all staff to ensure skills are current and numeracy and literacy skills are satisfactory		General Manager	Ongoing
4.4.1 Leadership and community involvement	Councillors and senior management be actively involved in community groups	Councillors and senior management be actively involved in community groups	General Manager	Ongoing
	Ensure opportunity in each community to review Council's Operational Plan		General Manager	Ongoing
4.5.1 Education	Liaise with school communities on Education and Community issues	Engage school representative groups in response to any community or educational concerns	General Manager	Ongoing
	Conduct information sessions for prospective persons interested in standing for election for Council	Assist prospective persons interested in standing for election for Council	General Manager	Deferred

HUMAN RESOURCES

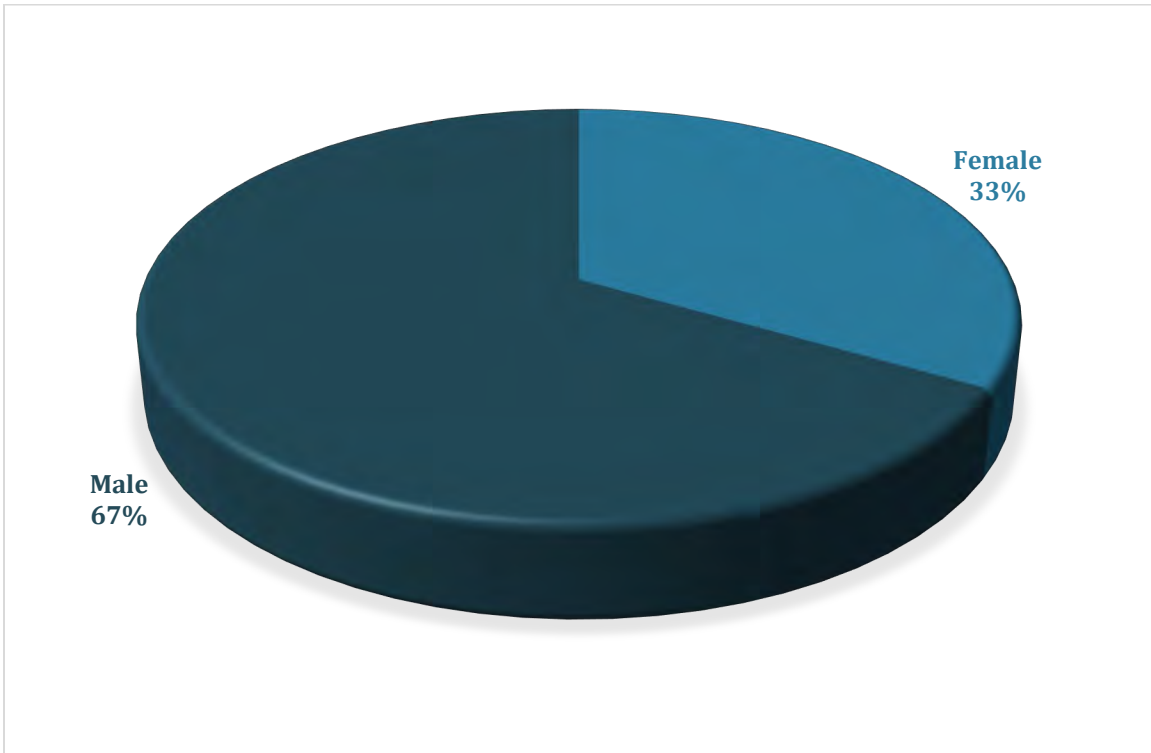
As part of Council's requirements under the Integrated Planning and Reporting Framework, Council has prepared a Workforce Management Plan in order to develop the staffing and human resourcing needs to ensure effective and efficient delivery of services.

Currently the recruitment and selection process is managed by the General Manager. Individual staff members undertook various training courses specific to their needs as required.

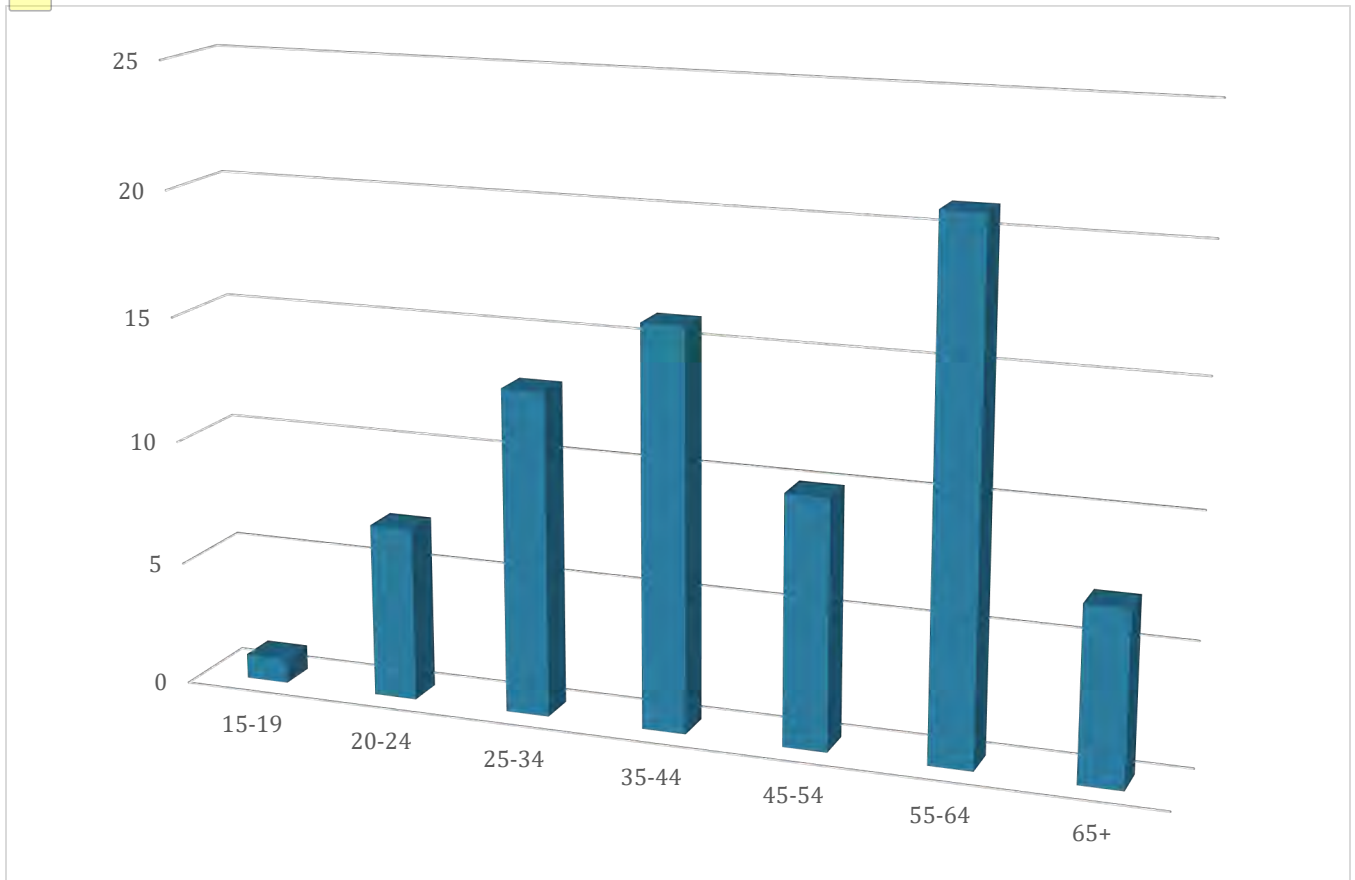
Organisational Structure



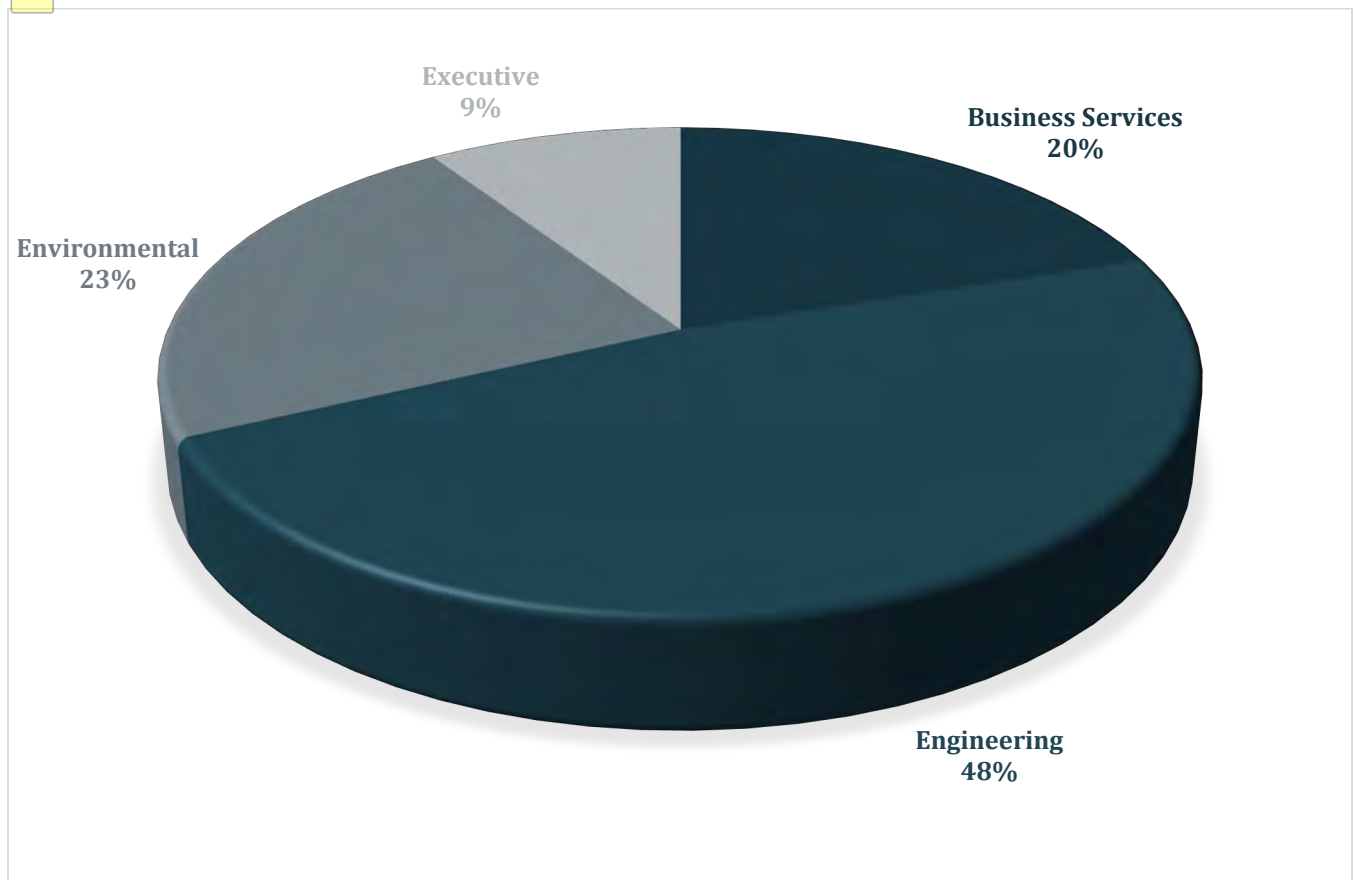
Gender Balance for 2018/19



Age of Workforce 2018/19



Breakdown of Employees by Department 2018/19



Training and Professional Development

Council values its existing staff and offers training for the professional development of employees. During 2018/19 Council staff attended a number of training courses as listed:

Training and Professional Development	
Senior Leadership and Management Skillset	Venomous Animal Awareness
Frontline Leadership and Management Skillset	Chemical Handling Training
Provide First Aid	HP Records Manager
Bronze Medallion	Microsoft SharePoint
Traffic Control Planning	Vault Risk Management
Confined Spaces	Ongoing Toolbox Sessions
Aerodrome Reporting Officer Compliance	Construction Industry – White Card

Equal Employment Opportunity

Council's Equal Employment Opportunity (EEO) Management Plan covers all aspects required under legislation. This includes plans for redeployment, retraining, retrenchment and redundancy. Council has ensured that the

EEO Management Plan has been adhered too; however, no specific activities have been undertaken in relation to this plan in 2018/19.

Corporate Governance	
Performance Requirement	Assessment
Ensure pecuniary interest returns are completed	Completed and presented to Council
Complete and present Annual Financial Report	Completed and presented to Office of Local Government
Complete and present Annual Management Plan	Completed and adopted by Council
Complete and present Annual Report	Completed and presented to Office of Local Government

Legal Proceedings	
Summary of Legal Proceedings	Mercantile Proceedings and Conveyancing Fees
Total Expenditure	\$11,656.71

Administrator Fees	
Fee	Amount
Administrator R.Stewart	\$44,176
Administrator G.Wright	\$83,513

Administrator Facilities and Expenses		
(i)	Provision of dedicated office equipment allocated to the Administrator	\$2,429
(ii)	Telephone calls	\$460
(iii)	Attendance at conferences and seminars	\$2,222
(iv)	Training and provision of skill development	\$0.00
(v)	Interstate visits including transport, accommodation and other out-of-pocket travelling expenses	\$5,794
(vi)	Expenses of any spouse, partner or other person who accompanied the Administrator in the performance of his or her civic functions, being	\$0.00

	expenses payable in accordance with the Guidelines for the payment of expenses and the provision of facilities for the Administrator	
(vii)	Expenses involved in the provision of care for a child of, or an immediate family member of, the Administrator	\$0.00

A copy of Council's Payment of Expenses and Provision of Facilities to the Administrator, Councillors and the Mayor Policy can be seen at Appendix A.

Remuneration of the General Manager and Senior Staff

Remuneration of the General Manager		
(i)	Total value of the salary component of the package	\$155,250
(ii)	Total amount of any bonus, performance or other payments that do not form part of the salary component	\$0.00
(iii)	Total amount payable by way of the employer's contribution of salary sacrifice to any superannuation scheme to which the General Manager may be a contributor	\$14,748
(iv)	Total value of any non-cash benefits for which the General Manager may elect under the package	\$30,000
(v)	Total amount payable by way of fringe benefits tax or any such non-cash benefits	\$14,665

Remuneration of Senior Staff Members (2 Directors)		
(i)	Total value of salary components of their packages	\$275,940
	Total amount of any bonus, performance or other payments that do not form part of salary components of their packages	\$21,000
(ii)	Total amount payable by the Council by way of the employer's contribution or salary sacrifice to any superannuation scheme to which any of them may be a contributor	\$27,006
(iii)	Total value of any non-cash benefits for which any of them may elect under the package	\$39,000
(iv)	Total amount payable by way of fringe benefits tax for any such non-cash benefits	\$14,225

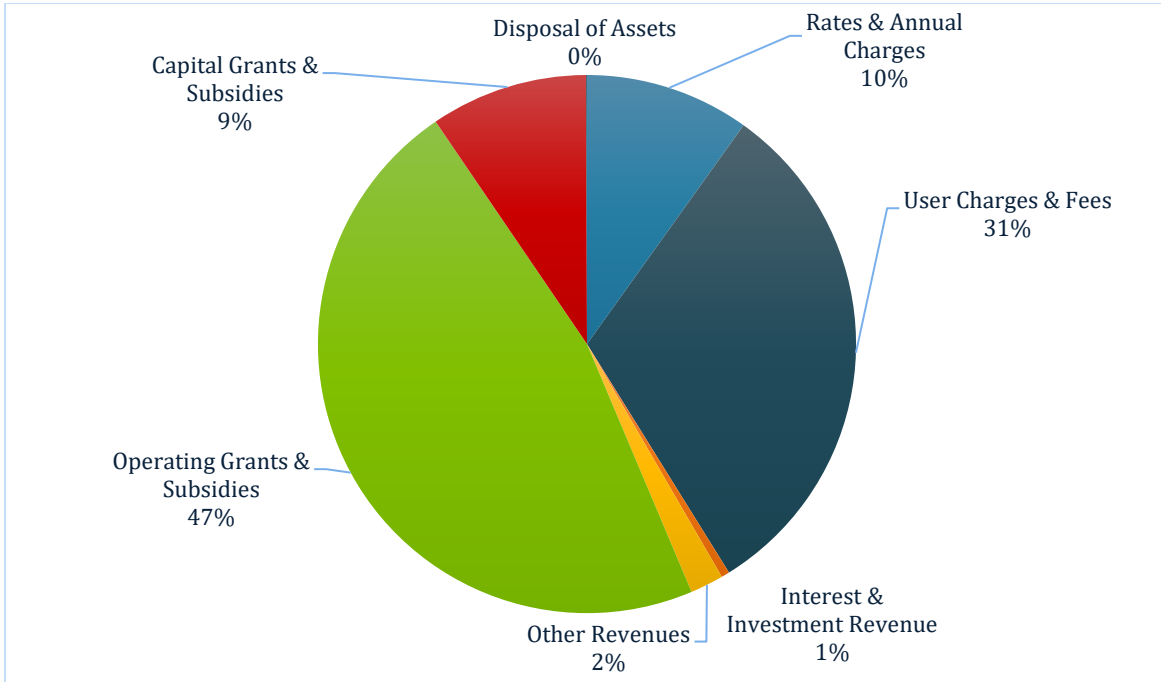
Overseas Visits

Overseas Visits by Administrator, Council Staff or any other persons representing Council		
	Total Cost	\$0.00

BUSINESS SERVICES

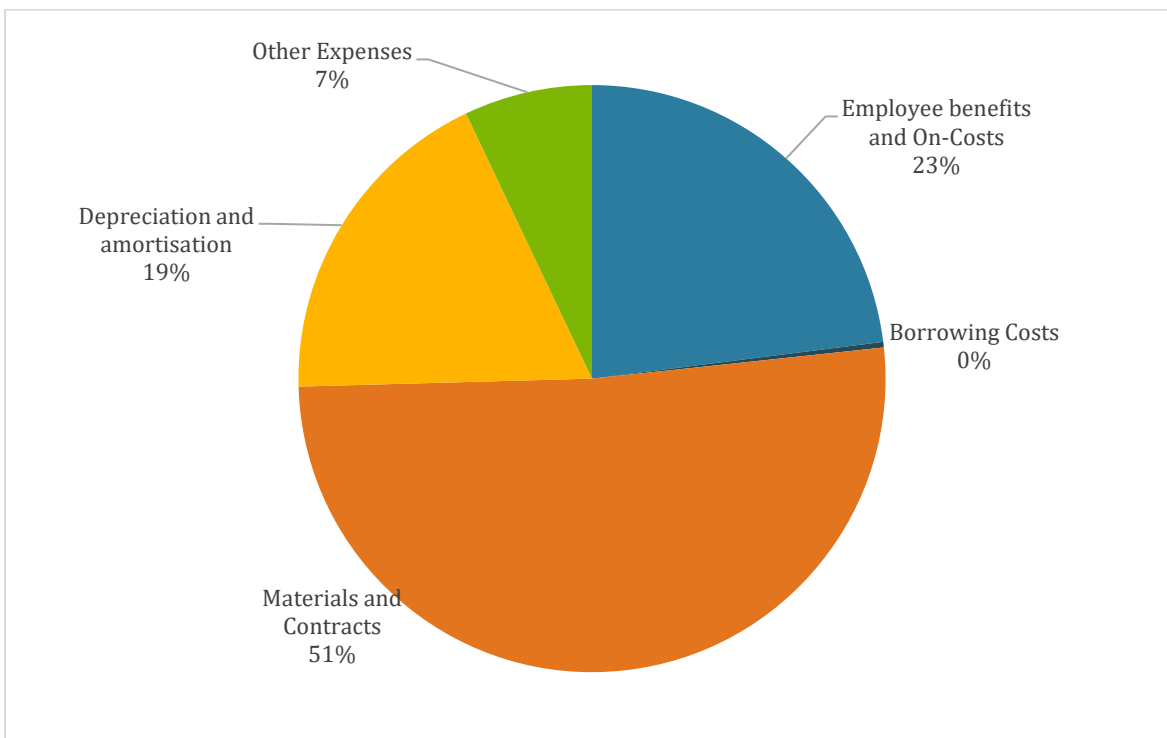
Income by Category

\$23,740,000



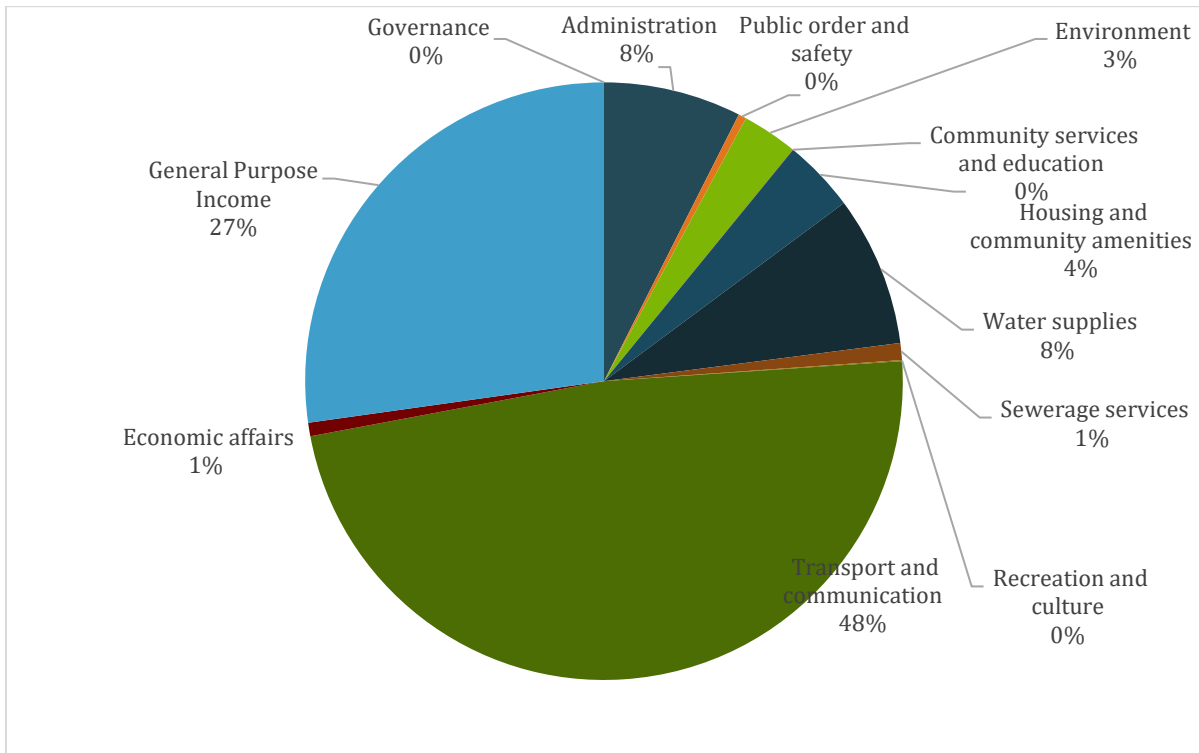
Expenses by Category

\$19,930,000



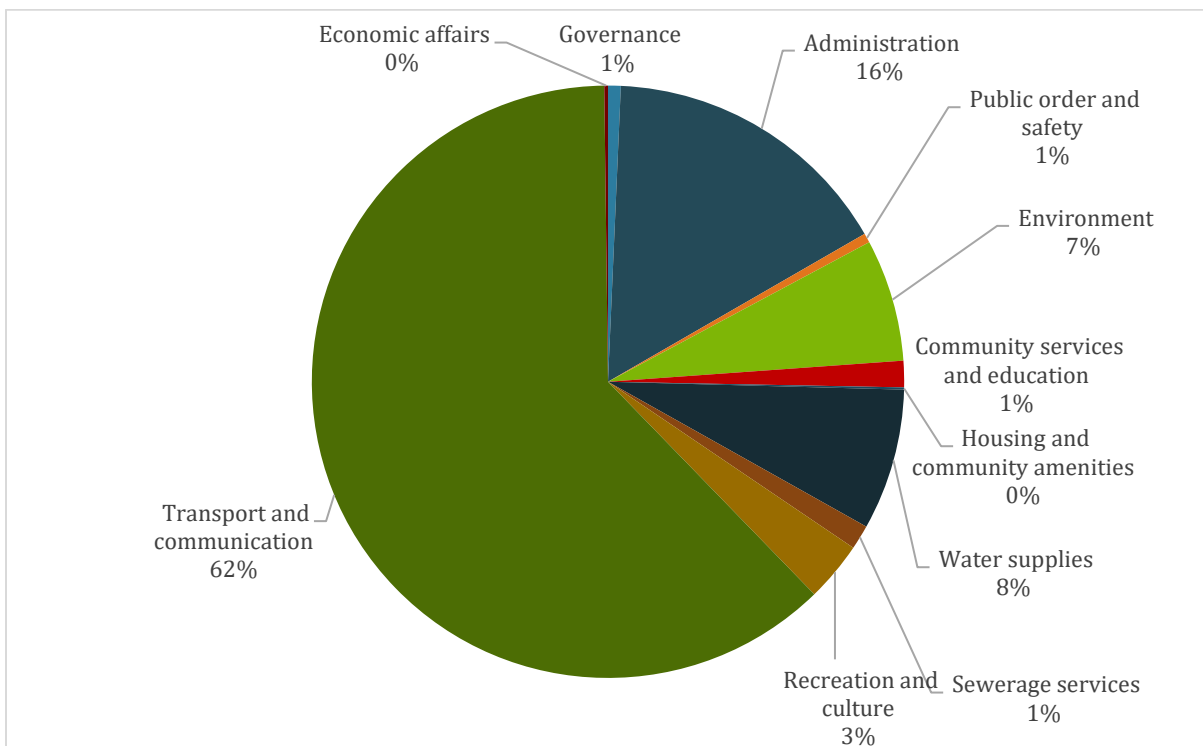
Income by Function

\$23,740,000



Expenses by Function

\$19,930,000



Corporate Services	
Performance Requirement	Assessment
Complete Grants Commission return	Completed
Complete Fringe Benefits Tax Returns	Completed
Complete all Goods and Services Tax Returns	Completed
Complete Pensioner Concession Claims	Completed
Submit Salary Details for Workers Compensation	Completed
Submit Details for Annual Insurance Assessment	Completed and submitted to Jardine Lloyd Thompson
Maintain solid relations with local media	Press releases, public notices, information and newsletters distributed as and when required to all local media authorised by the Administrator or General Manager
Meeting of Targets within Management Plan	All targets met as required
Levy Rates	Rates levied quarterly
Levy Water Accounts	Water accounts levied
Levy Sundry Debtor Accounts	Accounts levied monthly

Copy of Council's Audited Financial Reports

See Appendix B: Audited Financial Statements 2018/19

Rates and Charges Written Off During the 2018/19 Period

Rates and Charges Written Off During the Period	
Interest	\$61.20
Amalgamations	\$0.00
Property or Licence Cancellations	\$0.00
Levied in Error	\$48,465.51
Hardship	\$0.00
Total	\$48,526.71

Awarded Contracts 2018/19

Details of each contract awarded by the Council during that year (whether as a result of tender or otherwise) other than:

- (i) Employment contracts (that is, contracts of service but not contracts for services), and
- (ii) Contracts for less than \$150,000 or such other amount as may be prescribed by the regulations, including the name of the contractor, the nature of the goods or services supplied by the contractor and the total amount payable to the contractor under the contract.

Name of Contractor	Goods/Services	Amount
Murphy's Builders	Building Services	\$695,200
AD Engineering	Telemetry Signage	\$275,060
Murray Constructions	Marra Creek Bridge	\$542,278



New Telemetry signage on the Wanaaring Road in Wilcannia.

Privacy and Personal Information Protection Act 1998

In accordance with the *Privacy and Personal Information and Protection Act 1998*, Council must include in its Annual Report a statement of the action taken in complying with the requirements of the Act.

Council has adopted the Model Privacy Management Plan and its Public Officer is available for contact on privacy matters.

Government Information (Public Access) Act 2009

Council received no applications under the *Government Information (Public Access) Act 2009*. There was no contravention by Council of an information protection principle or of a privacy code of practice, or disclosure of personal information kept in a public register under Part 5 Section 33. There were no Freedom of Information activities outstanding from the 2018/19 financial year.

Public Interest Disclosures

The *Public Interest Disclosures Regulation 2011* requires the following information to be included in the Public Interest Disclosures Annual Report:

Requirement		Statistic
(a)	The number of public officials who have made a public interest disclosure to the public authority	Nil
(b)	the number of public interest disclosures received by the public authority in total and the number of public interest disclosures received by the public authority relating to each of the following: (i) corrupt conduct, (ii) maladministration, (iii) serious and substantial waste of public money or local government money (as appropriate), (iv) government information contraventions, (v) local government pecuniary interest contraventions	Nil
(c)	the number of public interest disclosures finalised by the public authority,	Nil
(d)	whether the public authority has a public interest disclosures policy in place,	Yes
(e)	what actions the head of the public authority has taken to ensure that his or her staff awareness responsibilities under Section 6E (1) (b) of the Act have been met.	Council's policy was adopted by Council on 15 November 2011.

Details of Programs to Promote Services and Access for People with Diverse Cultural and Linguistic Backgrounds Consistent with Principles of Multiculturalism

At the 2016 Census, Central Darling Shire's population totalled 1,833 with 39.5% of the population being from Aboriginal or Torres Strait Islander heritage. This is a significant number compared to the 4.7% of households where a non-English language is spoken. Due to this low number it is neither practical nor economically viable for Council to place a strong emphasis on the non-English speaking community.

Throughout the Shire's towns there are a number of State and Federal Government funded services who provide for the Indigenous population and Council has over the 2018/19 reporting year has received funding to auspice the services of Meals on Wheels and Home Care.

External bodies that exercised functions delegated by Council, Partnerships, Co-operatives and Other Joint Ventures

Statement of external bodies that exercised functions delegated by Council	Council has 11 s355 Committees that exercise functions of Council in the towns of Darnick, Ivanhoe, Menindee, White Cliffs and Wilcannia.
Statement of all companies in which Council held a controlling interest	Nil
Statement of partnerships, co-operatives and other joint ventures	<p>Council has a number of partnerships with varying groups:</p> <ul style="list-style-type: none"> • Far West Joint Organisation • Ryde City Council • NetWaste • Regional Development Australia • Western Division Councils of NSW • Roads and Maritime Services • TrainLink • Australia Post • Service NSW • Orana Water Utilities Alliance • Home Care • Maari Ma
Details of activities to develop and promote services and programs that provide for the needs of children	During early 2017, Council undertook consultation with the community before adopting its Community Strategic Plan.
Report on the Council's performance in relation to access and equity activities to meet residents' needs outlined in Council's Management Plan	During early 2017, Council undertook consultation with the community before adopting its inaugural Disability Inclusion Action Plan.

Special Variation Expenditure

Council has no special variations.

FINANCIAL ASSISTANCE GRANTS

Organisation Name/ Details	Description/Purpose of Grant	Amount
Camp-Out, To Clout The Drought	Assist with costs associated with Opening Exhibition	\$5,000
Menindee Charities Inc	Christmas Community Celebration and Seniors Christmas Party	\$600
Sunset Strip Progress Association Inc	Lake Menindee Foreshore Liveability Project	\$15,000
Menindee Regional Tourism Association	Discover Menindee and Help Us Recover (Dancing on the Darling event)	\$15,000

NSW Outblacks Rugby League Club	2019 Aboriginal Rugby League Knockout Season	\$1,000
White Cliffs Sporting Club Inc	White Cliffs Drought Relief	\$15,000
White Cliffs Gymkhana Club Inc	White Cliffs Gymkhana and Rodeo 2019	\$15,000
Wilcannia Tourism Association Inc	Wilcannia Tourism Brochure printing	\$1,000
Wilcannia Tourism Association Inc	The Wilcannia Field and Fun Day	\$3,000
White Cliffs Music Festival Incorporated	White Cliffs Music Festival 10th Anniversary	\$2,720
Barry Allan Stone	Rally Behind the Darling River	\$15,000
Ivanhoe Quilters and Needlework Friends	Tutor hire, accommodation and travel expenses	\$1,000
West Darling Arts Inc	Arts and Cultural Support	\$4,377
Sunset Strip Progress Association Inc	Tank for Rubbish Tip	\$1,000
Sunset Strip Progress Association Inc	Tank for Golf Course	\$500
Sunset Strip Progress Association Inc	Arboretum: Tree plaques	\$1,000
Wilcannia Tourism Association Inc	Drought Relief for Landholders	\$4,000
Kelvin Thornycroft	NAIDOC Ball 2019	\$15,000
Ivanhoe Revival Group	Upgrades to Ivanhoe Oval for Truck, Vintage Car and Tractor Pull event	\$15,000
Wilcannia River Radio and Remote School Attendance Strategy	NAIDOC in the Park	\$5,000
TOTAL		\$135,197

HERITAGE

Council is actively involved in preservation of heritage items and assisting owners of local heritage items to retain and conserve buildings and items of heritage significance on a regular basis. Council has a

Heritage Strategy that includes the provision of a Heritage Advisory Service and a Local Heritage Fund. Council receives funding from the NSW Office of Environment and Heritage for these programs.

During 2018/19, Council's Heritage Advisor visited the Shire and met with local residents on a number of occasions at no cost to the residents. An amount of \$22,500 was distributed to residents to assist with restoration works.

The Heritage Strategy continues to be a worthwhile program for delivery across the Shire and has been in progress since 2008. Following public consultation, the Heritage Strategy was rewritten and updated by Council's Heritage Advisor, Liz Vines, and Council gratefully acknowledges the funding assistance for this work by the Office of Environment and Heritage.

SHIRE SERVICES

Drinking Water Quality Testing

Health	
Performance Requirement	Assessment
Undertake water samples (microbiology) for potable water supplies	Samples taken weekly/fortnightly
Undertake water samples (microbiology) for swimming pools	Taken monthly during swimming season
Undertake routine chlorine residual readings	Weekly
Undertake blue-green algae sampling along river	As required

Sampling of drinking water quality is carried out within the towns of Wilcannia, Ivanhoe and White Cliffs. The frequency of sampling is different in each town however the sample parameters are the same, with most samples tested for microbiology and chemistry. The below tables demonstrate the sampling pattern, the number of samples collected and the number of non-compliant results identified.

Town	Frequency	No of Sites Sampled	Samples Collected
Wilcannia	Weekly	10	<ul style="list-style-type: none"> • Microbiology • Chemistry – biannually
Ivanhoe	Fortnightly	11	<ul style="list-style-type: none"> • Microbiology • Chemistry – biannually
White Cliffs	Fortnightly	7	<ul style="list-style-type: none"> • Microbiology • Chemistry – biannually



Wilcannia Aboriginal Water and Sewage Program including Mallee and Warrali precincts	Monthly	2	<ul style="list-style-type: none"> • Microbiology- Ongoing • Chemistry -Finished • Disinfection-by-products- Finished • Pesticide-Finished
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No of Samples Collected	Microbiology	Chemistry
Wilcannia	69	3
Ivanhoe	29	1
White Cliffs	30	2
<u>No of Non-Compliant Results</u>	<u>Microbiology</u>	<u>Chemistry</u>
Wilcannia	0	0
Ivanhoe	0	0
White Cliffs	0	0

Food Inspections

Food Inspections	
Performance Requirement	Assessment
To provide level of services as per Category B	Ongoing task
To implement food premises inspections to Category B level	Completed in 4 th Quarter
To investigate complaints to Category B level	Ongoing task

Central Darling Shire Council is classified as Category B under the Food Regulation Partnership as per agreements with NSW Food Authority. Under this arrangement food premises are inspected annually.

The following table demonstrates Council food premises activities over the past 12 months. During the reporting period one business required a second inspection and was found to be satisfactory. On re-inspection it complied with the *Food Act 2003* and *Food Regulation 2010*.

No of inspections undertaken	No of food outlets	No of non-compliance	No of food business requiring re-inspection
20	20	0	0

PUBLIC ORDER AND SAFETY

Swimming Pools

Details of inspections of private swimming pools.

Swimming Pools	
Performance Requirement	Number of Inspections
(i) Number of inspections of tourist and visitor accommodation	1
(ii) Number of inspections of premises with more than two dwellings	0
(iii) Number of inspections that resulted in issuance a certificate of compliance under Section 22D of the <i>Swimming Pools Act 1992</i>	0
(iv) Number of inspections that resulted in issuance of certificate o non-compliance under Clause 21 of the <i>Swimming Pools Regulation 2018</i>	0

Companion Animals

Companion Animals	
Performance Requirement	Assessment
To implement companion animal control measures	Ongoing task
To encourage registrations and micro chipping	Ongoing task
To assist with de-sexing clinics and education programs as required	RSPCA de-sexing clinic

Animal Control in Central Darling is an ongoing issue. Constant monitoring and control measures are needed to deal with roaming and straying animals including both dogs and cats.

Other activities Council has undertaken to assist animal control within the Shire include provision of dog and cat traps to local residents (on a loan basis) to capture roaming animals, assist residents to surrender animals and rehome/remove as required, tend to injured animals and seek veterinary care as required through RSPCA in Broken Hill. Information items have been provided to educate local residents on animal control matters per the local newspaper and on rates notices.

Council has lodged relevant returns to the Office of Local Government as required being pound data collection returns and dog attack data. The amount of funding spent relating to companion animal management and activities was \$108,153. At this stage it has not be deemed necessary to allocate specific off leash areas within any Shire towns.

Animal Control Statistics for 2018/19								
Month	Seized and Impounded	Rehomed	Returned to Owner	Euthanised	Registrations	Microchipped	Penalty Notices	In Pound at End of Month
July 2018	8 DOGS	0	8 DOGS	0	0	0	0	0
Aug 2018	8 CATS	0	0	8 CATS	0	0	0	0
Sept 2018	9 DOGS	8DOGS	1 DOG	0	0	0	0	0
Oct 2018	6 CATS	0	0	6 CATS	0	0	0	0
Nov 2018	9 DOGS	5 DOGS	2 DOGS	2 DOGS	1 DOG	0	3 DOGS	0
Dec 2018	0	0	0	0	0	0	0	0
Jan 2019	10 DOGS	5 DOGS	3 DOGS	2 DOGS	1DOG	0	0	0
Feb 2019	24 CATS	6 CATS	6 CATS	12 CATS	0	0	0	0
Mar 2019	12 DOGS	3 DOGS	8 DOGS	1 DOG	0	0	4 DOGS	0
April 2019	10 CATS	2 CATS	4 CATS	4 CATS	0	0	0	0
May 2019	5 DOGS	4 DOGS	0	1 DOG	0	0	0	0
June 2019	6 CATS	3 CATS	0	1 CAT	0	0	0	0
Total	26 DOGS	11 DOGS	13 DOGS	2 DOGS	1 DOG	1 DOG	0	0

BUSHFIRE HAZARD REDUCTION

Hazard Reduction Programs

The Central Darling Bush Fire Management Committee has a significant role to play in the development of hazard reduction activities and funding priorities and holds regular meetings to discuss any issues or concerns.

Hazard reduction work carried out in the Central Darling Shire over the past year included mechanical works, such as grading and slashing, as well as a number of prescribed burns. The priority for works will be around villages and towns.

Hazard Reduction Works

NSW Rural Fire Service – Far West Team (Incorporating Central Darling District)

- Asset protection zones maintained around all townships and villages, including Wilcannia, Ivanhoe, Tilpa, White Cliffs, Menindee, as well as small communities such as Sunset Strip and Copi Hollow
- Asset protection zones implemented around the two Wilcannia discrete Aboriginal communities
- Fire trail maintenance works within the Mallee Bush Fire Prevention Scheme area and other registered fire trails

A total of \$0 of external hazard reduction funds were sought and allocated through the Government funding process due to the drought conditions and lack of maintenance required.

Central Darling Shire Council

- Roadside slashing – deferred.
- Maintained asset protection zone around Central Darling Waste depots – deferred.
- Fire breaks – deferred.

National Parks

- Reserve fire trail maintenance
- Strip burning along strategic fire trails

Fire Safety Awareness

Community awareness activities are carried out as part of the NSW Rural Fire Service community education program; this is updated annually with community events, media activities and other activities carried out in accordance with service protocols. Some examples include:

- School and community groups visits
- Brigade open day activities.

PROPERTIES AND COMMUNITY AMENITIES

Properties

Environmental	
Performance Requirement	Assessment
Issue temporary licences for Crown Land as required	Two temporary licences issued in reporting period

Submit financial statements for Crown Land as required	Financial statements submitted
Support National Tree Day through tree allocations to local communities	Tree Day was not held in all Shire communities this year
Maintain all public parks, sporting facilities and public toilets to an acceptable community standard	All amenities maintained as per budgetary allocations
Manage Local Heritage Funding Program pending funding support from NSW Heritage Office	Continuing program with five projects funded in reporting period

Crown Land – Council is Trust Manager of a large portfolio of Crown Land within the Central Darling Local Government Area. This land has been gazetted for many differing purposes of use. At this stage, Council is responsible for 52 Crown land parcels scattered across all towns, villages and localities.

Crown Land Properties Managed by Council in 2018/19 – facility and purpose of use			
<u>Reserve/Facility</u>	<u>Reserve Number</u>	<u>Location</u>	<u>Purpose of use</u>
Burke and Wills Park	28962	Menindee	Oval, Swimming Pool
Burke Park	630012	Wilcannia	Showground
Crick Park	82520	Menindee	Public Recreation
Darnick Community Reserve	230084	Darnick	Community Purposes
Emmdale Emergency Reserve	1001363	Emmdale	Airstrip
Ivanhoe Aerodrome	85153	Ivanhoe	Aviation
Ivanhoe Bushfire Brigade	83244	Ivanhoe	Bushfire Brigade
Ivanhoe Recreation Grounds	83596	Ivanhoe	Recreation
Ivanhoe Regeneration Reserve	85989	Ivanhoe	Regeneration
Ivanhoe Rubbish Depot	84487	Ivanhoe	Rubbish Depot
Ivanhoe Water Supply	78333	Ivanhoe	Water Supply
Lake Menindee Plantation Res	86859	Sunset Strip	Plantation, Tourism Purposes
Menindee Aerodrome	230056	Menindee	Aviation
Menindee Common Reserve	64609	Menindee	Camping, Access

Menindee Common Reserve	64899	Menindee	Addition – Commonage
Menindee Common Reserve	71522	Menindee	Common
Menindee Fire Brigade	78117	Menindee	Fire Station
Menindee Racecourse	84041	Menindee	Racecourse
Menindee Regeneration Res	88474	Menindee	Regeneration
Tilpa Reserve	1004528	Tilpa	Cemetery
Menindee Reserve	13524	Menindee	Works Depot
Wilcannia Reserve	19334	Wilcannia	Common
White Cliffs Reserve	24554	White Cliffs	Cemetery
Menindee Reserve	28978	Menindee	Cemetery
White Cliffs Reserve	38958	White Cliffs	Not Known
Ivanhoe Reserve	3966	Ivanhoe	Plantation and Cemetery
Ivanhoe Reserve	3967	Ivanhoe	Not Known
Menindee Reserve	87753	Menindee	Rubbish Depot
Ivanhoe Reserve	87826	Ivanhoe	Trucking and Stockyards
Tilpa Reserve	88701	Tilpa	Public Recreation
White Cliffs Reserve	91119	White Cliffs	Rubbish Depot
Menindee Rubbish Depot	90833	Menindee	Rubbish Depot
White Cliffs Rubbish Depot	97755	White Cliffs	Rubbish Depot
Wilcannia Rubbish Depot	90899	Wilcannia	Rubbish Depot
Sturt Park Reserve	630016	Wilcannia	Recreation
Sunset Strip Bushfire Brigade	230091	Sunset Strip	Bushfire Brigade Purposes
Sunset Strip Rubbish Depot	97736	Sunset Strip	Rubbish Depot
Tilpa Airport	96846	Tilpa	Aviation
Trida Public Hall	85640	Trida	Public Hall
Victory Park Caravan Park	1004988	Wilcannia	Recreation

White Cliffs Aerodrome	86808	White Cliffs	Aviation Purposes
White Cliffs Gymkhana Res	30642	White Cliffs	Racecourse
White Cliffs Regeneration Res	89857	White Cliffs	Regeneration
White Cliffs Water Supply	97857	White Cliffs	Water Supply
Wilcannia Common Reserve	77322	Wilcannia	Commonage
Wilcannia Effluent Ponds	91299	Wilcannia	Sanitary Purpose
Wilcannia Golf Course	87463	Wilcannia	Golf Course
Wilcannia Public Recreation Res	85567	Wilcannia	Recreation
Wilcannia Regeneration Res	87409	Wilcannia	Regeneration
Wilcannia Septic Tank Pumpout	90900	Wilcannia	Sanitary Depot
Wilcannia Urban Services	230082	Wilcannia	Fire Brigade
William Murray Memorial Park		Menindee	Recreation

Public Buildings/Council Owned or Managed Facilities – Council owns many buildings across the Shire primarily related directly to its operations and staff accommodation. There are 211 buildings and structures in total. These buildings consist of houses, flats, work depots, administration buildings, Rural Transaction Centres, Community Halls, bushfire sheds and buildings, SES buildings, public toilets, sporting ovals, swimming pool amenities, roadside shelters, animal pounds, filtration plants and various other sheds.

Council Owned or Managed Facilities		
<u>Facility Type</u>	<u>Number of Buildings</u>	<u>Locations</u>
Staff Houses and Flats	15	Wilcannia
Community Housing	6	Menindee
Community Halls	7	Darnick, Wilcannia, Ivanhoe, Menindee, White Cliffs, Sunset Strip, Tilpa
ATCOs	3	Wilcannia, Menindee, Ivanhoe
SES Sheds	4	Wilcannia, Menindee, Ivanhoe, White Cliffs
Bushfire Brigade	6	Wilcannia, Ivanhoe, Menindee, White Cliffs, Sunset Strip, Tilpa

Rural Transaction Centres	1	Menindee
Multiservice Outlets	1	Ivanhoe
Administration Buildings	1	Wilcannia (Council Chambers – heritage listed)
Customer Service Centre	1	Wilcannia
Works Depots	4	Menindee, Wilcannia, Ivanhoe and White Cliffs
Athenaeum	1	Wilcannia
 Heritage Buildings/Sites	3	Wilcannia (Post Office, Knox and Downs and Council Chambers)
Caravan Parks	2	Wilcannia and White Cliffs
Public Toilets	6	Wilcannia, Menindee, Ivanhoe
Ovals, sports grounds	4	Wilcannia, Menindee, Ivanhoe, Tilpa
Swimming Pools	4	Wilcannia, Menindee, Ivanhoe and White Cliffs
Cemeteries	5	White Cliffs, Tilpa, Menindee, Ivanhoe and Wilcannia
Water Filtration Plants	3	Wilcannia, White Cliffs and Ivanhoe
Waste Depots	7	White Cliffs, Tilpa, Ivanhoe, Wilcannia, Menindee, Sunset Strip and Copi Hollow

The above list is not exhaustive and does not include smaller buildings attached or associated with these main facilities. Three of the above listed items notably the Old Wilcannia Post Office, the Wilcannia Council Chambers and the Knox and Downs building are heritage listed sites within Wilcannia.

The Old Wilcannia Post Office building has had some renovations undertaken to the exterior of the building, including verandah restoration works and inside the main front room, however still requires extensive works to the residential section and to the yard. Funding to continue the works is required and to date Council has not been successful in obtaining additional funding. The building is currently being utilised for Post Office purposes as intended.



CARAVAN PARKS

Victory Park Caravan Park, Wilcannia



Situated on the banks of the Darling River at Wilcannia is Victory Park Caravan Park, set amongst majestic gum trees. During the 2018/19 this caravan park is currently being managed by Council.

Opal Pioneers Caravan Park, White Cliffs

Situated in the opal mining town of White Cliffs is Central Darling Shire Council's Opal Pioneer Caravan Park. The park has had upgrades to its power system and a dump point has been installed due to the increase in tourism numbers. The park has modern amenities. Rainwater tanks have also been installed at various locations within the grounds. This park is managed by a Section 355 Committee of Council being the White Cliffs Community Association.



Heritage

Council is actively involved in preservation of heritage items and assisting owners of local heritage items to retain and conserve buildings and items of heritage significance on a regular basis. Council has a Heritage Strategy that includes the provision of a Heritage Advisory Service and a Local Heritage Fund. Council receives funding from the NSW Heritage Office for these programs.

During 2018/19, Council's Heritage Advisor, Liz Vines, visited the Shire and met with interested local residents on a number of occasions at no cost to the residents.

SWIMMING POOLS

Council owns, manages and operates four public swimming pool facilities across the Shire. These facilities are located in Wilcannia, Menindee, Ivanhoe and White Cliffs. Within each facility are a large pool and a small toddlers wading pool, apart from White Cliffs which only has one large pool operational. Council's public swimming pools are relatively aged and require ongoing works to keep operational. White Cliffs has the newest pool being constructed in late 2012. Council employs Casual Pool Lifeguards each year to supervise its swimming pools. These employees are trained in First Aid and Bronze Medallion. Extensive works have been undertaken to manage risks at our pools in the areas of signage and supervisory activities.

Council is mindful of the extensive summer heat and has installed large shade sails over its pools in all locations. The amenities are all in average condition including Ivanhoe which received extensive works to bring the facility up to basic standard.

The pools are open from November to March/April each year. The hours of operation are limited to 3:00pm to 6:00pm on school days, and 3pm to 7pm on weekends and school holidays.

TREE DAY

Council holds a tree day every year in conjunction with National Tree Day. Council has been participating in this event since 1993 and purchases trees (as seedlings) to give away to our ratepayers and community members. Trees are free on a first in basis, with two free trees being given to each resident that attends the distribution point in each town/locality. This program is held in Wilcannia, White Cliffs, Menindee, Ivanhoe, Sunset Strip and Tilpa. Schools from all towns also participate and are given free trees to plant on School Tree Day, generally held at the same time as National Tree Day.

Unfortunately, 2018/19 suffered drought conditions and subsequent water restrictions and trees were not distributed this year.

TOWN PLANNING

Development Applications

Council receives a number of Development Applications (DAs) each year for a wide range of development varying from residential to commercial work. Council receives in the vicinity of 20-30 DAs per year, in the 2018/19 reporting period Council has received 12 DAs. The table below provides a breakdown on the types of DAs received, and the total value of these three main categories of development. Development in the Central Darling Local Government Area is mainly in the townships of Wilcannia and Menindee; however development in the other towns and in rural settings has occurred as well. Most DAs lodged with Council are for smaller residential developments, however at least a couple of times a year Council receive applications for larger developments. Council supports Complying Development Certificates when possible. Over the reporting period no Complying Development Certificate applications were lodged with Council for development in Wilcannia. As part of the DA process Council has also issued five Construction Certificates and two Occupation Certificates.

DA Categories and Values for 2018/19 Reporting Period		
Development Category	Number of DAs Related to this Category	Total Value of Category
Residential	8	\$3,063,000
Commercial	0	\$0.00
Rural	0	\$0.00
Signs	0	\$0.00
Total	8	\$3,063,000

Information About Planning Agreements

Council has not entered into any planning agreements for the reporting period.

Section 67 – Work Carried Out on Private Land

Central Darling Shire council has had no Section 67 works completed for the reporting period.

ENVIRONMENT

Climate Change

Over recent years increased focus is being placed on climate change and what this means for the local environment and local communities. To date, Council has had minimal input into climate change and the possible effects on the local area and the operations of Council, due to lack of funding and resources.

DOMESTIC WASTE MANAGEMENT

Waste Management

S428(2)(b) Asset Management	
Performance Requirement	Assessment
Continue to improve Menindee and Wilcannia Waste Depots	In progress
Implement improvements to Ivanhoe Waste Depot	In progress
Source contracts through NetWaste for sale of recyclables	Contracts updated.

Council manages and operates seven waste depots across the Shire. Each waste depot consists of a landfill, with Wilcannia, Menindee and Ivanhoe also having broader recycling streams. Council's waste depots are located in Wilcannia, Menindee, Ivanhoe, Sunset Strip, White Cliffs and Tilpa. Councils Landfills are unmanned and open 24 hours. The larger recycling streams provide for separation of large

wastes, such as scrap metal, tyres, green waste, timber products, and concrete products. It is often difficult to keep these lines defined, as many dumpers do not segregate their waste, and often the wrong materials end up in the wrong areas. This is an ongoing challenge for Council.

Future recycling opportunities are very difficult to secure due to distance and freight costs. The option to further refine recycling lines into glass, plastic, cans and other streams is not currently viable.

Council provides kerbside collection services to the towns of Wilcannia, Menindee and Ivanhoe. Collection is via 240L wheelie bins and garbage trucks and is provided to 795 residential and commercial properties.

Council has assisted Cleanaway Pty Ltd with the possible appointment of an operator to manage an Over the Counter – Container Deposit Scheme to enable residents to recycle cans/bottles etc.

COMMUNITY SERVICES

Community Services	
Performance Required	Assessment
Ensure the Ivanhoe Multi Service Outlet is operating to funding guidelines	Ongoing
Ensure the Menindee Transaction Centre is maintained to community expectations	Ongoing
Continue to support the Community Working Parties of the Shire in achieving their action plans	Ongoing
Assist community groups to stage regular and ongoing events	Assistance given on an as need basis

Far West Proud

Far West Proud is an initiative of Regional Development Australia Far West NSW that is driving positive growth in Far West NSW in order to increase our region's population.

We live in a digital age and as it becomes easier to make a purchase with the click of a button, it becomes even more important to support local business. Far West Gift Cards are an aspect of the Far West Proud initiative that are encouraging people to shop locally in order to develop our region's economy.

Council have participated in the "Load Up" Business in the Menindee Rural Transaction Centre, Ivanhoe Multi Service Outlet, Wilcannia Local Post Office and the Administration Building in Wilcannia.



Ryan Block
Wilcannia Local Post Office



Jacob Philp & Shirley Ronayne
Administration Building



Margot Muscat
Menindee Rural Transaction Centre

Ivanhoe Multi Service Outlet

The Ivanhoe Multi-Service Outlet (MSO), run by the Central Darling Shire Council, is a one stop shop for residents who need to access a variety of agencies like Commonwealth Home Support Program (CHSP), Centrelink Access Point, social support, Meals on Wheels, yard maintenance, local library and Council business.

It also acts as an information centre for locals and tourists seeking advice on road conditions, local native flora and fauna, maps and history of the area.

Australia Day Awards

The Australia Day Awards in Ivanhoe were hosted by the MSO on behalf of the CDSC.

Congratulations to Ivanhoe local, Wendy Aves, who was honored with this year's Australian Citizen of the Year Award.



Council Business

Council Public Notices, Media Releases and general information are displayed at the MSO to ensure the Ivanhoe community keeps informed about Council business.

Residents can pay their rates or water bills or on payment plans at the MSO.

Any Council enquires can be made at the MSO during business hours on week days.

Centrelink Access Point

The Centrelink Access Point provides direct online and telephone services for Centrelink clients. Our staff provide support to those needing assistance.

Social Support

Social support is allocated to MSO clients for medical or shopping trips and social outings to Broken Hill, Griffith and Hay.

The MSO often hosts morning teas to celebrate special occasions like Seniors Week and Christmas, clients are invited to play bingo, cards or sing along to songs and have a good laugh.

At the end of last year, we hosted a Christmas Luncheon which was well attended by seniors from the community.

Seniors Broadband

Computer access is available to our senior clients and the Ivanhoe community. There are also monthly computer sessions for our clients to learn basic computer skills.

CHSP Meals on Wheels

Meals on Wheels are delivered five days a week from Monday to Fridays, including public holidays like Christmas Day and Easter. Kitchen staff can cater to special requests like vegetarian and gluten free. The meals are prepared at the Correctional Service who do a wonderful job. This important service is auspiced by Council.

Library

The MSO has a small library service where locals can borrow magazines, books, CDs, DVDs and videos.

Menindee Rural Transaction Centre

MENINDEE AUSTRALIA DAY AWARDS

Event of the Year

It was the first year for women in the Outback Rugby League; It brought grandmothers, daughters, sisters, aunties, cousins together to build a friendship and great teamwork. The women trained just as hard as the local mens team and earned their spot in the ORL Grand final in 2018.

The Menindee Yabbies held their presentation with the women's 'Twisted Sisters' team and celebrated their achievements together as one big family.

The Menindee Civic Hall was transformed into a Hollywood Awards Night with a red carpet as the entry, walking into paparazzi before entering to elegant fine dining set-out in black and gold tableware with a five-star menu.

Topped off with a VIP room, decked out with endless desserts and a photobooth. The evening was filled with joy and happiness to bring the community together as one and danced the night away with a band from Sydney.

The 2019 Menindee Australia Day Event of the Year Award was presented to the Menindee Yabbies and Twisted Sisters for their Presentation Award Night.

Menindee Citizen of the Year Award

The recipient of this award is the 'perfect example of community'.

Day in, day out, this person provides the whole community with the upmost respect and attention to detailed care. They are tireless in their efforts to improve relations with patients as a health professional. The

Menindee Men's Shed is a great example of this person's dedication to community and volunteering where they offer support and guidance and have given endless nights ensuring children at the Menindee Children's Centre received handmade timber toys as a Christmas present.

No matter how busy or tired our recipient can get, they always take the time to listen to your concerns or problems and provide sound advice and an accepting ear; And they are also pretty dapper at making the odd pumpkin scone.

The respect provided by our recipient is reflected back by Menindee locals often referring to him as "Unk", who deserves every bit of recognition for his continued efforts towards Community.

I am sure this person will be very humble in accepting the Citizen of the Year Award as he was when named the 2017 Far West Nurse of the Year.

Those present totally agreed and congratulated Stuart McIntosh as the 2019 Menindee Citizen of the Year, an amazing colleague and a wonderful friend who was nominated by the staff of the Menindee Health Service.

Menindee Young Citizen Of The Year

The past 2years have been an exciting time for the Young Citizen of the Year – having been elected as a School Captain at Menindee Central School and continuing her studies in Year 12, she is also undertaking a Certificate III in Health Service Assistant as a School Based Trainee at the Menindee Health Service. She has been one of the main fundraisers for her school trips and leads, and performs, at school events.

Her friendly, outgoing, nurturing nature makes her a true role model for the younger generation, where each school holidays she assists with the supervision of younger children, individually and in groups, at the locally held Department of Community Services Holiday Camps.

Her parents and extended family are very proud of the fact that she is ready to 'have a go at something different'. Being a girly girl, it surprised many that she was interested in playing sports, let alone rugby!!

Through school sports, she has played in the Ronnie Gibbs Netball competition held in Bourke for the past two years; 2018 saw her play in the Murdi Paaki Rugby team in Adelaide, leading onto her being named as the Female Athlete of the Year for the Far West Academy League Tag event in Warren. Representing the South Australian RAMS Under 18 Rugby team in Campbelltown she received a Merit Award, followed on by being named in the U18 NSW Indigenous Allstars team, albeit with a broken leg. Endeavouring to further her Rugby career even further, she travelled with her mum and younger brother to Sydney for a week, attending the Tarsha Gale Sydney Roosters Tryouts – although being unsuccessful she has taken it in her stride and, I am sure, she will continue with her Rugby wherever she maybe in 2019.

Still being U18, our recipient was unable to take part in the Inaugural 2018 ORL Women's Rugby Competition, but she did have a run in the local Menindee Knockout Comp playing alongside her two sisters with the 'Twisted Sisters' team.

This young lady is one of the students who participated in the very successful Menindee Central School Islander Dance Troupe started some 6years ago that have performed for community, visiting schools and dignitaries, both locally and across the state. She also performed as the lead role in 'Weeping Clouds', a short stage production based on the Stolen Generation, depicting the life of our late Aboriginal Elder, Isobel Bennett.

Her family is very proud and supportive of her, and with her ability and 'can do' attitude she can achieve much for herself and community.

Telicia Briar was the recipient of the 2019 Menindee Australia Day Young Citizen of the Year.

AUSTRALIA DAY AWARD CEREMONY IN MENINDEE



Menindee Drought Relief

Menindee has been in the news with fish kills and blue green algae in the towns water supply leading to the State Government having to provide the delivery of drinking water to some 95 Menindee Environs and station residents traversing distances of up to 180km round-trips. The Menindee Transaction Centre staff coordinate the day-to-day runnings of the delivery of water, reporting to Shire Management and Essential Water on a monthly basis.

The Centre has also been the main contact for donations of water from various outlets from local, ex-local (Mal Highet – Menindee Water Run), state and interstate.



Sealing of the Menindee to Poonarie Road

Another bonus for Menindee is the news that the Federal and State Governments have made available a total of \$25m for the upgrade and sealing of the Menindee to Pooncarie Road. This will provide many positive outcomes for tourism and economic development for the whole of the Shire.



Inter-Agency Relations

Menindee Central School

Another successful two years of supporting the School Based Traineeship program has come to an end with Connor Hayes completing his HSC studies that included a Business Services Tafe Course. Council wish Connor all the best with his future work endeavours.

Centrelink

Staff remain an Agent offering a service to Centrelink Clients whereby annual training is also undertaken to keep up-to-date on requirements.

REDI-E

Council staff have been working closely with REDI-E participants on the upgrade to the Menindee Cemetery. Identified works include a second walk-thru entry point, removal of dead and overhanging trees, seating and relaying of the triclone system to replant garden beds.

Lifeline Christmas Toy Drive, St. Vincent de Paul Society Christmas Hamper, CityLink Buses (Broken Hill)

Menindee is very well supported at Christmas time with the delivery of childrens presents and hampers which Centre Staff remain a focal point of contact for most visiting agencies, government and non-government.



Far West Community Legal Centre, Community Corrections, Royal Flying Doctor Service, Mission Australia

Are regular visitors to the Centre offering outreach services to the community whereby their clients do not have to travel to Broken Hill to access these services. The RFDS is instrumental in the operations of the Men-in-dee Shed which runs Mental Health and Drug and Alcohol Program activities each Wednesday fortnight. This is a valuable resource for men's health.

Menindee Health Service Open Day

Admin Assistant, Deanna Pinal, and School Based Trainee, Connor Hayes, held a Youth focused stall offering freebies, colour-ins, registration prizes and a skeleton hunt to keep the young ones entertained.



Stronger Country Community Fund

Stage One of the Fund saw upgrades to the Menindee Civic Hall with stainless steel benches and new vinyl flooring in the kitchen, new toilet bowls and handbasin and new vinyl flooring in each of the mens, ladies and disability facilities; the Oval Canteen received extra power outlets and lighting and new stainless steel benches making it easier for catering for events; and an Extension of the Men-in-dee Shed that will allow for welding and carpentry bays doubling the area of the Shed.



2019 THEME – BAILING TWINE AND STRAPPING



A total of 14 entries were received from across Central Darling for the local Exhibition from which 6 winners went onto the Regional Exhibition that was held in Parkes. Those six entries were:

COMMUNITY 3D - Title: The Spaceship- Barb Stephens

The spaceship was made from an old gas barbeque, car aerial, a clear lid off an egg cooker and a hat stand fitted with solar lights.

Joint COMMUNITY – FUNCTIONAL - Title: Denim Throw - Diana Henderson

Old used denim pants are reborn in this throw – stamps and free machining are used to add interest.

Joint COMMUNITY – FUNCTIONAL - Title: Tow Rope - Max Bradley

Discarded baling twine was used to make this very useful item – the bag was made from a recycled chook feed bag.

OPEN – 3D - Title: Gardnin Australia - Lorraine Looney

My Kokodama is made from scraps of twine, hessian and paper. One of the ideas from watching gardening Australia on TV.

OPEN – FUNCTIONAL - Title: Rainfall - Jillian McNamara

This macramé wall hanging is called 'Rainfall' due to the blue twine and the falling motion, I hope that, it conveys. It is made out of the baling twine of about eight large bales of hay that we have been feeding our stock during this drought. It was a shame to see so much of it being thrown out each day and I figured there had to be SOMETHING that could be done with it, so I started tying knots. It turned into a great way to re-use something and to keep my mind concentrating on something other than the drought.

SUSTAINABLE BUILDING – 3D - Title: Around the Fire - Chris Rush

An old cast iron fire place surround, I salvaged many years ago with the plans to create a mosaic design on it – one day! The right side is based on the NZ fern leaf 'Kora' (my homeland). The left side being mainly green (my husband's homeland of Ireland). Once again – the creative (psyche) just spoke to me. The project was started and completed over Easter weekend 2019.

Centre Staff:

Margot Muscat – Centre Coordinator – permanent full time – 10 years service with Council

Deanna Pinal – Admin Assistant – completed 2 traineeships with Council and is now employed full time (since March 2016). Deanna was a finalist in the 2016 Far West Region Business Awards competing against other young employees in the Training Awards section.

Services available: *denotes fees applicable

Human Services Agent for Centrelink and Medicare - for lodgement of forms, phone contact, and identification needs etc. 9.30am-12.30pm Monday - Friday
Room Hire* - available for meetings or appointments

Hall Hire* - Menindee Civic Hall hire bookings for meetings, functions and courses

All secretarial needs* - word processing, laminating, photocopying, shredding, printing

Contact Centre for many Community Service Organisations in Broken Hill - Legal Centre, CatholicCare, Lifeline, St. Vincent de Paul and Salvation Army

Community Library

- Having received two large donations of books this year the library is fast running out of room with books also being held in storage. Residents are welcome to come browse and borrow from the great range we now have. The reference/non-fiction section has also had another bookcase added to provide shelving for an increase in this area of the library.
- Due to a busy year for the pre-school and the RTC there was only one visit managed for the year. Following on from our story of 'Dino Loves to Play' the children and staff enjoyed a snack of carrots, snow-peas, bread-rolls and sugar cubes, which is the food eaten by Dino, the horse. The visit concluded with a (blindfold) game of feeding Dino peas and carrots!



Youth Week

Menindee Youth Week 2019

'Coming together to Connect, Share, Speak out and Celebrate'

'Games Arvo – Bowls and Balls'

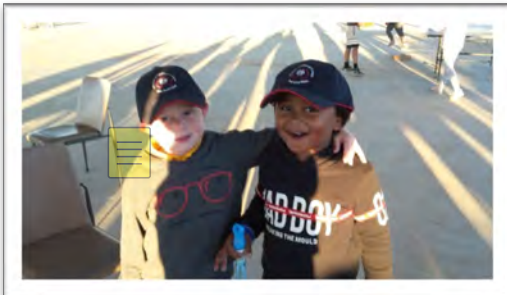
Balls were plentiful at the Games Arvo held on the 20th June at the Menindee Basketball Court to celebrate the 2019 Youth Week and its theme 'Coming together to connect, share, speak out and celebrate'.

With a turnout of about 42 kids, there were plenty around to enjoy the activities organized by the Menindee Transaction Centre staff, and run with the assistance of multiple adults.

Throughout the day, the kids played table tennis, basketball and soccer, as well as learning from a community elder how to play indoor bowls. The little ones were kept entertained with chalk drawing around the venue. Healthy wraps and pancakes with lots of toppings refueled the kids to continue with the activities.

The day was rounded out by drawing 5 lucky names who received \$20 Far West Gift Cards to spend on themselves. No one missed out as everyone received a gift bag and a lucky dip prize.

Everyone who was involved did a great job! The event was enjoyable for all involved and allowed everyone to get involved.



Wilcannia Local Post Office

Since reopening the Australia Post Office Agency in its original building in 2013, Council has been applying for grants to not only open the Main Customer Service Area, but to restore the residence to be usable space for the community. The Service NSW Agency was relocated to the Post Office Building in 2016 to make this building a Customer Service Hub for Wilcannia. TrainLink ticketing, Service NSW, Australia Post facilitated banking can all be carried out at this Office.



Ryan Block, Fran Scott & Brenda Shillingsworth

Customer Service Staff at the Post Office

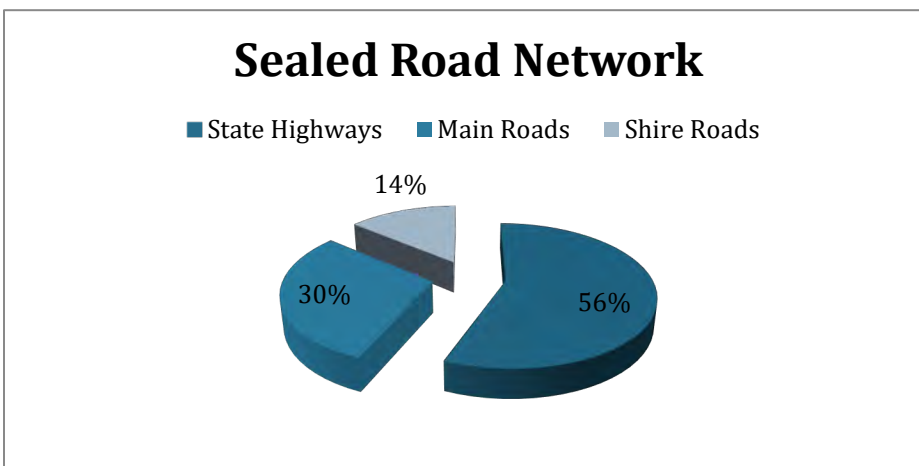
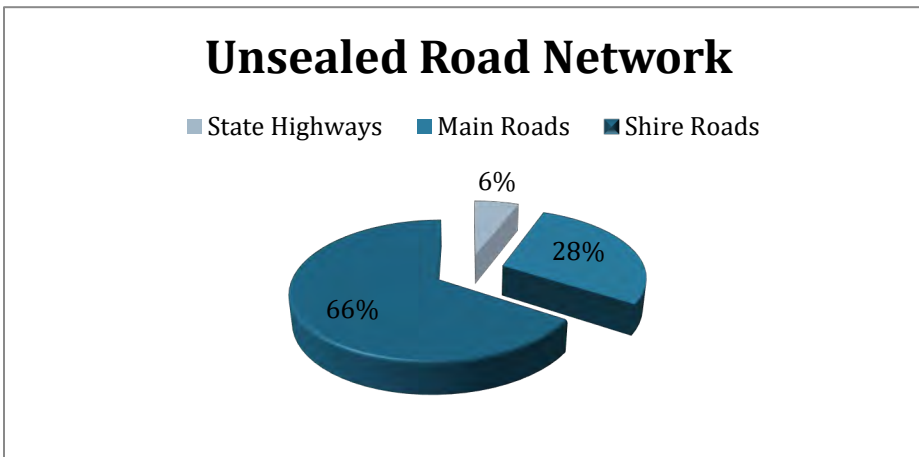
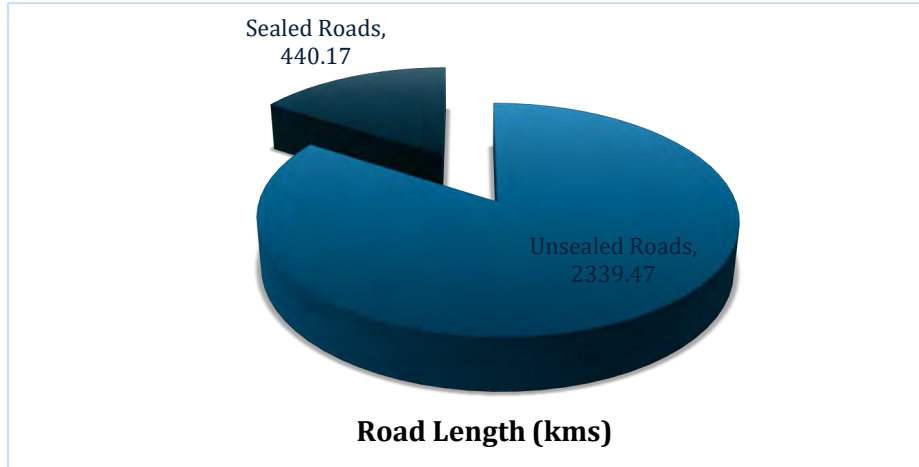


Alana Harris and Ryan Block

Alana donated a curtain for the ServiceNSW Testing Unit.

ROADS AND BRIDGES

Public Road Network



Asset Management	
Performance Requirement	Assessment
Ensure all roads within the Shire are maintained	Ongoing maintenance grading program reviewed monthly
Acquit grant funds as required	Funds acquitted with Roads and Maritime Services
Maintain Routine Maintenance Council Contract	Ongoing with Roads and Maritime Services

The following is a summary of the works undertaken on the State, Regional and Shire road network with the Shire in the 2018/2019 financial year.

State Highways

Under Council's Routine Maintenance Council Contract (RMCC), Council is responsible for 387km of State Highway which includes both sealed and unsealed sections. The majority of funding was expended on construction, reseals, heavy patching, new grids and approaches, formation grading and re-sheeting.



Mario Bejarano (A.D. Engineering), Ivan Draganjac and David Miranda

After commissioning one of the Telemetry Road Condition Signs on the West Tilpa Road.

Report on RMCC Work 2018/19

Total paid to Council for RMCC ordered work: \$3,868,204

Note: Value of Ordered Works and Total Paid to council may vary due to projects extending over two financial years

Total paid to Council for RMCC routine work: \$573,529

List of jobs done under this routine work:

- Routine inspection
- Pothole repair
- Edge break repair
- Formation grading
- Shoulder grading
- Litter and debris removal
- Ground vegetation control
- Control saplings within clear zone
- Stock grids and races maintenance
- Stockpile sites maintenance
- Rest area – Service
- Rest area – Repair
- Clean culverts
- Minor repair culverts
- Minor repair headwalls and/or wingwalls
- Guide post maintenance
- Replace minor signs
- Maintain major signs



Culvert installation Gypsum Mine North Initial Seal Project, Cobb Highway

Description of Works Orders received as part of RMCC	Value after Variation	Status
HW21 Bushley Pit Access Road	\$177,772.26	PAID IN FULL
HW21 Bore Tanks & Fencing	\$168,839.72	PAID IN FULL
HW21 Bushley Gravel Pit REF & EIL	\$48,461.40	PAID IN FULL
HW8 Truck Fire HW8 Seg 2120 Goonalga	\$16,260.98	PAID IN FULL
HW21 Guardrail End Terminals	\$56,949.56	PAID IN FULL
HW21 Bushley Pit EPL renewal	\$6,127.50	PAID IN FULL
HW21 2km Construct & Seal Menindee Rd Nth	\$815,980.72	PAID IN FULL
VARIATION	\$40,778.84	
HW8 Heavy Patching	\$220,708.52	PAID IN FULL
HW21 Heavy Patching	\$142,390.93	PAID IN FULL
HW21 Resealing	\$441,504.56	PAID IN FULL
HW21 Centre Line Spot Marking	\$10,289.54	PAID IN FULL
HW21 Survey - Glen Albyn and Kerpa	\$23,484.00	PAID IN FULL
HW21 Survey - Slamannon Sth and Yelta	\$23,484.00	PAID IN FULL
HW21 Burndoo Clearing & Grubbing	\$7,783.34	PAID IN FULL
HW8 Bridge Protest Wilcannia	\$3,127.41	Works Complete & Payment Pending
HW21 Survey Springdale IS	\$11,742.00	PAID IN FULL
HW21 Water Supply Bores- Rosewood/ Slamannon	\$83,146.80	Part Work Completion- Part Payment Pending
HW21 Eurella Shoulders/ Manara Floodway/ Pit Rehab/Bush-Slam Grade	\$137,361.39	PAID IN FULL
HW21 Maintenance Grade Bushley to Slamannon (2nd grade)	\$97,638.00	PAID IN FULL
HW21 Slamannon Bore Tank & Fence	\$42,200.97	PAID IN FULL
HW21 Gypsum Mine North Initial Seal	\$2,672,814.97	Part Work Completion- Part Payment Pending
HW8 Incident Car/ Caravan Rollover Caltigeena Ck	\$11,873.06	PAID IN FULL
TOTAL WORK ORDER VALUES =	\$5,260,720	

Regional Roads

Council maintains 790km of Regional (or Main) Roads within the Shire. Funding received included

\$2,749,000 from Regional Road Block Grant and \$1,025,000 from RMS Special Projects Funding for Wool Track and \$400,000 from Regional roads Repair Program.

Expenditure of the Block Grant included maintenance grading works, gravel resheeting and resealing works.

The Ivanhoe-Balranald Rd (Wool Track) received program funding to complete the remaining 7km of unsealed road within the LGA. The initial seal project was completed in November 2018.

1.2km of initial seal works were completed on the Wilcannia-Tilpa West Rd and a new Bridge and approaches were completed at the Marra Creek crossing, 80km north of Wilcannia.

Reseals were carried out in this financial year in the following locations:

MR435 Opal Miners Way

MR433 Ivanhoe – Menindee Rd

Marra Creek Bridge Construction, Wilcannia-Tilpa West Road.



Gravel being tipped on prepared formation, Wool Track

Local Roads

Council maintains 1600km of Local Roads within the Shire. Funding expended from Federal Assistance Grant (Roads Component totalled \$1,480,000 and an additional \$331,212 from Roads to Recovery funding).

The majority of local road expenditure included maintenance grading works, resealing works and gravel resheeting works.

Roads to Recovery allocation was utilised on the Paroo Crossings, Tilpa-Tongo Rd

Town Street routine maintenance works are ongoing and include kerb and gutter cleaning on a weekly basis, tree and ground vegetation maintenance, street sweeping and sign maintenance.

Bridges

Routine maintenance carried out on Council owned bridges included visual inspections, vegetation control and minor repairs. Recent bridge replacements have seen 50% of Council owned bridges replaced within the Shire, as per Councils Asset Management Plan, all dilapidated timber bridges have now been replaced.

Works on Private Land

Contract Grading works were completed for Cobar Shire Council to the value of \$274,971

WATER, SEWER AND STORMWATER

Asset Management	
Performance Requirement	Assessment
Maintain consistency of primary treated water to town of White Cliffs	Ongoing
Maintain consistency of potable and raw water supplies to Ivanhoe and Wilcannia	Ongoing
Ensure that the current standard of sewerage collection is maintained	Ongoing

Major Activities

Wilcannia Water Supply and Sewerage Services continue to benefit from the Aboriginal Communities Water Supply and Sewerage Program and the Water Securities, Restart Program funded by the Commonwealth Government.

The federally funded Aboriginal Communities Water Supply and Sewerage Program continues to provide funding for ongoing operational support for the Mallee and Warrali Aboriginal Estates in the amount of \$105k for routine maintenance and repairs. These funds are implemented in accordance with the Service Agreement between Council and the DPI Water.

The \$1.2 million Preconstruction and training funding provided under the Restart initiative consisted of \$1 million for Ivanhoe, Wilcannia and White Cliffs town water supplies and infrastructure. \$200k for training was utilised by consultant regularly visiting each water treatment plant and providing on the job training for all operators to improve individual operator ability and therefore better water quality and best practice for Council.

The Preconstruction Funding has enabled Council to develop advanced concept designs for new water treatment plants for White Cliffs, Wilcannia and Ivanhoe, and further develop the White Cliffs WTP augmentation to a "shovel ready" stage and it is expected that a request for tender (RFT) will be issued on 6th December 2019 and close on 22 February 2020. Capital funding for the White Cliffs Water Supply Augmentation had been previously secured from the now redundant Country Towns Water Supply and Sewerage Program (Backlog Works) up to \$5.5M.

Capital funding offers from the State Government for new water treatment plants at Wilcannia and Ivanhoe has also been received for \$3.5M and \$2.5M respectively. Further funding has been secured

pursuant to the Safe and Secure Program to finalise the Wilcannia and Ivanhoe WTP Design. Further investigation of water demand to justify new WTP capacity is the immediate priority and underway.

The Safe and Secure Program has also funded a scoping study with respect to the augmentation of the Wilcannia Sewerage Reticulation network. Public Works Advisory is expected to complete this scoping study by October 2019.

The Willandra Creek Weir, located immediately upstream of Morrisons Lake and a key element of the Ivanhoe Water Supply Scheme including Morrisons Tank, was replaced, and a mixing unit was installed in the Ivanhoe Filtered Water Reservoir to distribute chlorination throughout the reservoir storage, in September 2018. These works have improved the reliability and treatment capacity of Ivanhoe Water Supply.



New Weir structure at Ivanhoe's Willandra Creek offtake

Water

Potable (treated) and raw (untreated) water supplies continued to be provided to the townships of Wilcannia and Ivanhoe in accordance with NSW Office of Water and Department of Health regulations and guidelines in conjunction with a testing regime undertaken by Council operators in consultation with these government agencies.

Wilcannia and Ivanhoe Water Supply is sourced from a combination of river and bore supplies. In the past year, Wilcannia was serviced predominately from Darling River flows and Ivanhoe has been serviced from Morrisons Lake Reservoir fed from Willandra Creek.

White Cliffs is serviced by a reticulated non-potable filtered water supply and is sourced from surface runoff collected in large off-line ground tanks. Typical operational issues are reticulation leakage from agricultural grade poly pipe network and low pressure issues. Main leakages are repaired as they arise. Water pressure issues are predominantly the responsibility of householders at White Cliffs where a header tank is to be provided by each dwelling/dugout.

Easter rainfall in 2019 filled White Cliffs Wakefield Tank providing 12 months supply and Willandra Creek flow in early 2019 captured at Willandra Creek Weir filled Morrisons Tank providing up to 2 years supply for Ivanhoe.

Environmental flow within the Darling River during early 2019 filled the Darling River Weir Pool at Wilcannia and has been the primary source for Wilcannia's water supply during 2019.

Menindee water supply is managed by Essential Water pursuant *Water Management (General) Regulation 2011* and related to the establishment of the now redundant Broken Hill Water Board.

Sewer

Wilcannia sewerage services is comprised of a Common Effluent Collection System which collects domestic sewage from connected properties and discharges to the Wilcannia Sewerage Treatment Plant (Oxidation Ponds). The recent Civil Works upgrades included the sewer systems in the Aboriginal precincts of Mallee and Warrali being converted to full gravity sewer systems. The two existing pump stations at Warrali were replaced with one single pump station and two new lift wells were installed in the Mallee. Ivanhoe, Menindee and White Cliffs residents manage generated sewerage with on-site facilities.

Stormwater

Stormwater infrastructure throughout the townships of Wilcannia, Ivanhoe, Menindee and White Cliffs were maintained including cleaning of the gross pollutant traps in Wilcannia and Menindee. Council is investigating funding opportunities to replace the stormwater outlets into the Darling River at Wilcannia (which have structurally failed).

AERODROMES

Council maintains six airstrips within the Shire being Wilcannia, White Cliffs, Tilpa, Emmdale, Menindee and Ivanhoe.

\$81,467 was expended on Pavement M&R, Buildings, toilets, fences, lighting, grounds M&R and energy costs.

The Royal Flying Doctor Service (RFDS) are working with Council to enable the registration of Wilcannia, White Cliffs and Ivanhoe aerodromes. Improvements such as pilot activated lighting, cones and gable markers and vegetation works are being funded by the RFDS for this purpose. Further agreement has been made by RFDS to fund the maintenance of new infrastructure for a three-year period.

BOAT RAMPS

Council maintains two boat ramps completed in Menindee 2012/13 and Tilpa 2014/15.

Additional small grant funding is being sourced to improve recreation facilities at both locations.

FOOTPATHS, KERBS, AND GUTTERING

Footpaths

The townships of Wilcannia, Ivanhoe and Menindee have extensive footpath networks. The footpath network in the urban areas are predominantly concrete but also is comprised of gravel and in-situ earth sections. \$66,861 was expended on footpath repairs in Wilcannia, Ivanhoe and Menindee.

Additional funds sourced from Building Stronger Country Communities allocation were completed at Ivanhoe with new pavers laid from the Post Office to the corner, Balranald Rd.

The extent of the footpath network in each township is summarised below:

- Wilcannia 4,895m
- Ivanhoe 2,189m
- Menindee 1,312m

Council has completed the Pedestrian Access Mobility Plan (PAMP) which was placed on public exhibition and adopted by Council. From this plan, staff can produce a footpath replacement/repair program and reference the document in order to apply for additional funding.



Additional paving area was completed at Ivanhoe, adjacent to the Post Office

Kerbs and Gutter

The townships of Wilcannia, Ivanhoe and Menindee's extensive kerb and gutter infrastructure was maintained. Limited repairs were carried out in this financial year.

PLANT AND EQUIPMENT

Council replaced:

- Post Driver on skid (\$9,849)
- Depot AC (\$2,780)
- Town Truck (\$56,869)
- Ivanhoe Excavator (\$56,843)
- Water Jetter (\$9,544)
- Wilcannia Excavator (\$57,663)
- Wilcannia Loader (\$63,407)

- Ride on Lawn Mowers (\$5,089)

Various running costs are attributed to plant maintenance throughout the year. The following is a breakdown of that expenditure which totals \$585,299.

- Fuel \$188,063
- Repairs and maintenance \$162,844
- Tyres \$24,621
- Oil \$1,065
- Parts \$6,813
- Insurance \$18,032
- Registration \$14,673
- Miscellaneous \$50,928



New Loader at Wilcannia Engineering Depot

BUSINESS UNDERTAKINGS

Competitive Neutrality

The Division of Local Government's July 1997 guidelines 'Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality' outlines the process for identifying and allocating costs of activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, rate of return on investments in business units and dividend paid. In relation to competitive neutrality Council provide the following:

- "Category 1" Business Units have total annual operating revenues that exceed \$2 million. Council has no Category 1 Business Units.
- "Category 2" Business Units have totaled annual operating revenues that do not exceed \$2 million. Council has no Category 2 Business Units.

APPENDIX A: PAYMENT OF EXPENSES AND PROVISIONS OF FACILITIES TO ADMINISTRATOR, COUNCILLORS AND MAYOR POLICY

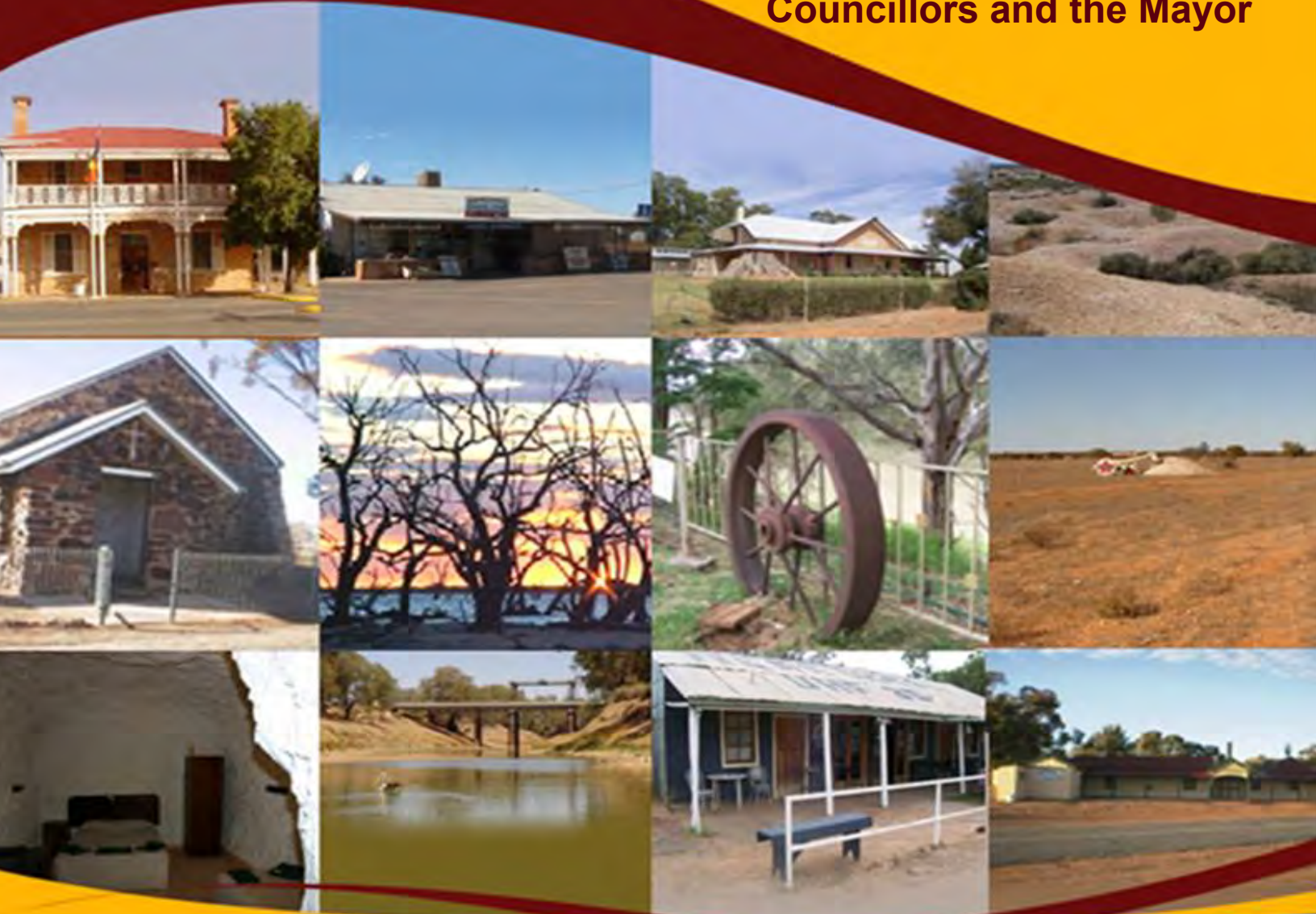
Council adopted the Payment of Expenses and Provision of Facilities to Administrator, Councillors and the Mayor Policy at the Ordinary Council Meeting held 22 May 2019.

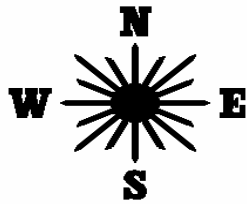
APPENDIX B: 2018/19 ANNUAL FINANCIAL STATEMENTS

Central Darling Shire

APPENDIX A

Payment of Expenses and Provision of Facilities to the Administrator, Councillors and the Mayor





Title of Policy	Payment of Expenses and Provision of Facilities to the Administrator, Councillors and the Mayor		
This applies to	All Councillors		
Author	Greg Hill	Date approved:	22-05-2019
Position of Author	General Manager	Authorised by:	03-05-19
Legislation, Australian Standards, Code of Practice	Local Government Act 1993 Local Government (General) Regulation 2005		
Related Policies/Procedures			

PART 1: INTRODUCTION

PURPOSE OF THE POLICY

The purpose of the policy is to ensure that there is accountability and transparency in the reimbursement of expenses incurred or to be incurred by Councillors. The policy also ensures that the facilities provided to assist Councillors to carry out their civic duties are reasonable.

OBJECTIVES AND COVERAGE OF THE POLICY

The objective of this policy is to provide a guide to Councillors’ expenses and facilities and the process for paying expenses in a way that can be properly recorded, reported and audited.

The policy applies to all Councillors. The Mayor is entitled to specific additional facilities.

REPORTING REQUIREMENTS

This policy will be included in the Council’s Annual Report. In addition, the total amount of money spent during the relevant financial year through the application of this policy will be reported in the Annual Report in accordance with the requirements of the Local Government Act 1993 and the Local Government (General) Regulation 2005.

LEGISLATIVE REQUIREMENTS

The statutory requirements relating to the payment of expenses and provision of facilities to Councillors and the Mayor are set out in Sections 252, 253 and 254 of the Local Government Act 1993 and Clause 403 of the Local Government (General) Regulation 2005.

OTHER GOVERNMENT POLICY PROVISIONS

OLG guidelines for payment of expenses and provision of facilities

This policy takes into account the following:

- Circular 11-27 – Findings of Review of Councillor Expenses and Facilities Policies
- Circular 09-36 – Release of Revised Councillor Expenses and Facilities Guidelines
- Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors in NSW (Division of Local Government October 2009)
- Circular 05108 – Legal assistance for councilors and council employees
- Circular 02134 – Unauthorised use of council resources

Model Code of Conduct

This policy is consistent with the Office of Local Government's Model Code of Conduct and Council's Code of Conduct, with implements the Model Code.

The part of the Model Code headed 'Use of Council resources' is particularly relevant to this policy and is implemented by the Council's Code of Conduct.

ICAC publications

Councillors should also be aware of and take account of the Independent Commission Against Corruption (ICAC) publication 'No Excuse for Misuse, preventing the misuse of council resources (Guideline 2), November 2002.

This publication is available on the ICAC website at www.icac.nsw.gov.au

PRIVATE BENEFIT

Councillors should not obtain private benefit from the provision of equipment or facilities, nor from travel bonuses such as 'frequent flyer' schemes or any other such loyalty programs while on Council business. However, it is acknowledged that some incidental private benefit from the use of Council equipment and facilities may occur from time to time. Incidental private use should be limited to an amount of cost to Council of no more than \$10 per month per Councillor. In situations where more substantial private benefit occurs, the full cost of the benefit should be reimbursed to Council.

USE OF COUNCIL RESOURCES FOR POLITICAL PURPOSES

Council facilities, equipment and services are not to be used to produce election material or for any other political purpose. As outlined in Council's Code of Conduct, a Councillor's re-

election is considered to be a personal interest, as is fundraising activities for political parties and political events. Council will not pay expenses or provide facilities to Councillors in relation to supporting and/or attending such events and activities.

APPROVAL ARRANGEMENTS

Approval for attendance at conferences, seminars and other meetings should generally be approved by Council resolution, however, should this not be practicable, approval may be given by the Mayor and General Manager. Should attendance be proposed by the Mayor or General Manager approval may be given by the Deputy Mayor and/or another Councillor.

PART 2: PAYMENT OF EXPENSES

PAYMENT OF ANNUAL FEES

Council shall fix the annual fee for the Mayor and Councillors in accordance with the determination limits of the Local Government Remuneration Tribunal each financial year. It should be noted annual fees do not fall within the scope of this policy.

TRAVELLING

In relation to travel to and from Community, Council and Council Committee Meetings:

- 1) Councillors will advise the General Manager of their normal mode of travelling to Council and Council Committee Meetings.
- 2) Payment to and from Community Meetings, Council and Council Committee Meetings will be based on the number of kilometres travelled by the Local Government Award – Vehicle Allowance rate for Council employees who use their private vehicles for Council business.
- 3) Whilst travelling on Council business in either a private or Council vehicle the driver of the vehicle shall be personally responsible for any traffic or parking fines incurred whilst travelling.

Community Meetings

Payment will be made to Councillors for attendance at Community Meetings and will be based on Item 2 as above.

Community Meetings will include the following:

- Civic Receptions, Community Group Meetings where Councillors will receive information relating to civic duties.
- Progress Association Meetings.
- Inspections within the Local Government area.
- Inspections of activities and developments in other Local Government areas where it is considered appropriate in order that a similar facility may be provided in the Central Darling Local Government area.
- Meetings with Government officials.
- Meetings with Community and Private Sector officials where such meetings relate to civic duties.

Council delegate

In the event of a Councillor being authorised by Council resolution to nominate and ultimately succeeding and being appointed as a delegate to an outside related local Government organisation and the most appropriate mode of travel is by vehicle, and a Council vehicle is not available, the vehicle allowance indicated in item (2) shall apply.

In the event of a Councillor using public transport the booking of the trip shall be made through Council's **Administration Office** with payment of same being made by Council. If, however, a Councillor who uses public transport and pays for the cost of the public transport, the actual cost will be reimbursed on the production of a receipt and completion of expenses claim form submitted to the General Manager.

Interstate Travel Expenses

- 1) Prior to any interstate travel being taken, travel must be approved by a full meeting of Council.
- 2) Full details of the interstate travel shall be provided including purpose of the trip, expected benefits, duration, itinerary and approximate total costs of each visit.
- 3) Any interstate travel will be approved by Council on an individual trip basis only.
- 4) No retrospective reimbursement of interstate travel expenses will be paid unless prior authorisation of the travel has been obtained.
- 5) Full details of the proposal shall be included in Council's business paper for consideration.

Overseas Travel Expenses

- 1) Prior to any overseas travel being taken, travel must be approved by a full meeting of Council.
- 2) Full details of the overseas travel shall be provided including purpose of the trip, expected benefits, duration, itinerary and approximate total costs of each visit.
- 3) Any overseas travel will be approved by Council on an individual trip basis only.
- 4) No retrospective reimbursement of overseas travel expenses will be paid unless prior authorisation of the travel has been obtained.
- 5) Full details of the proposal shall be included in Council's business paper for consideration.

CONFERENCE EXPENSES

a) Councillors

Council will meet the registration, accommodation, sustenance and travel costs (in accordance with this policy) including those relating to official luncheons, dinners and tours which are relevant to the interests of Council.

Attendance at any Conference by any Councillor shall be approved by Council through resolution of the Council or by the Mayor or General Manager acting under delegated authority.

Attendance at Conferences will be subject to budgetary constraints.

b) Councillor's Partners

Councillor's partners may attend with Councillors, Seminars, Conferences or the like, subject to any additional travel, accommodation and sustenance costs and the like being met by the Councillor concerned or his or her partner.

Council will accept limited expenses of spouse/partners or accompanying persons associated with the attendance of the Local Government NSW Annual Conference which may include the cost of registration and official Conference Dinner.

c) Payments In Advance

Council will not normally provide funds to Councillors prior to attending a Seminar, Conference or the like, however, requests may be considered by the Mayor and General Manager. In the event of an approach being made and approval being given, a reconciliation

of the funds expended, receipts and funds not expended is to be submitted to the General Manager following the conclusion of the Seminar, Conference or the like.

d) Incidental Expenses

Council will reimburse reasonable out of pocket or incidental expenses associated with attending conferences, seminars or training courses that any Councillor may incur. Incidental expenses will be reimbursed upon presentation of official receipts and completion of the necessary expense claim forms.

Incidental expenses could be defined as:

- Cost of telephone or facsimile calls.
- Refreshments
- Internet charges
- Laundry and dry cleaning
- Newspapers
- Taxi fares
- Parking fees

The cost of meals etc., not included in Registration or Conference fees will be reimbursed upon production of the necessary receipts and claim form.

Councillor expenses may not be used to support attendance by Councillors at political fund-raising activities.

Incidental expenses shall be limited to a maximum claim of **\$100.00** daily.

SPECIFIC EXPENSES FOR MAYORS AND/OR COUNCILLORS

Training and Educational Expenses

Council will meet the registration, accommodation, sustenance and travel costs in accordance with this policy of any Councillor who by Council resolution or policy have been authorised to attend any training or educational Seminars which are relevant to the interests of the Council.

Telephone Expenses

Council will reimburse Councillors for the cost of any business calls made by Councillors on Council business.

Council will not provide dedicated phone lines to Councillors for use on Council business.

Internet

Council will not provide internet connections or accept any internet charges for Councillors.

Care and Other Related Expenses

Should a Councillor be responsible for any carer arrangements including children, elderly, disabled and/or sick immediate members of the Councillors family, in order to allow the Councillor to fulfill their Council business obligations, Council will be responsible for the reimbursement of additional expenses incurred by the Councillor whilst on official Council duties upon the production of the necessary receipt and completion of the expenses claim form submitted to the General Manager.

Should a Councillor have a special requirement such as a disability and access needs to allow them to perform their normal civic duties and responsibility, Council will give consideration to the payment of reasonable expenses to cover the special requirements.

GIFT AND BENEFITS

Any gift or benefit given by a Councillor should be of a token value with an upper limit of **\$100.00** per gift.

LEGAL ASSISTANCE FOR COUNCILLORS

Council may by resolution, indemnify or reimburse the reasonable legal expenses of:

- a) A Councillor defending an action arising from the performance in good faith of a function under the Local Government act 1993 and providing there are no adverse findings against the Councillor; or
- b) A Councillor defending an action in defamation provided the statements complained of were made in good faith while exercising a function under the Local Government Act 1993; or
- c) A Councillor for proceedings before the NSW Civil and Administrative Tribunal, or an investigative body, provided the subject of the proceedings arises from the performance in good faith of a function under the Local Government Act 1993 and the Tribunal or investigative body makes no adverse finding against the Councillor.

Council will not:

- Meet expenses incurred in relation to proceedings arising merely from something that a Councillor has done during his or her term of office; or
- Meet the costs of an action in defamation taken by a Councillor as plaintiff in any circumstances; or
- Meet the costs of a Councillor seeking advice in respect of possible defamation, or in seeking a non-litigious remedy for possible defamation.

INSURANCE – COUNCILLORS

Council will provide Councillor's insurances required in the carrying out of their civic office functions. Councillors will receive the benefit of insurance cover to the limit specified in Council's insurance policies for the following:

- 1) Personal Injury
- 2) Professional Indemnity
- 3) Public Liability
- 4) Councillor's and Officer's Liability
- 5) Statutory Liability

PART 3: PROVISION OF FACILITIES

COUNCILLORS

The Councillors are to receive the benefit of the following Council facilities:

- a) Meeting meals and refreshments – provision of meals and refreshments associated with Council, Committee and Working Parties/Special Committee meetings.
- b) Transportation – provision of a Council motor vehicle (when available) for travel to conferences, seminars, etc when on official Council business.
- c) Where a Council vehicle is provided to a Councillor for use on official business, the vehicle may:
 - With the consent of the Councillor, be driven by the Councillor's spouse or partner as long as that person is legally licensed to drive the Council vehicle; or
 - Provided the Councillor is in the vehicle at the time, be driven by any other fully licensed driver.
- d) Meeting Rooms – provision of meeting facilities in the **Wilcannia Administration Building** for the purpose of Council, Committee and Working Parties/Special Committee Meetings and for meeting with constituents.
- e) Photocopies – provision of photocopying facilities in the **Wilcannia Administration Building** generally for official purposes.
- f) Business cards for his/her role as an elected representative.
- g) A suitable name badge.
- h) Protective apparel, including (where appropriate) hard hat, safety vest, safety footwear and sunscreen for on-site inspections.

MAYOR

In addition to those facilities provided to Councillors, the Mayor is to receive the benefit of the following:

- a) Council vehicle – (Ford Fairlane Giha or equivalent) for official purposes. The vehicle to be used at the discretion of the Mayor for Mayoral, Councillor or Council purposes. A fuel card will be provided for use only with the Mayoral vehicle.

When the Mayor or another Councillor is using the Mayoral vehicle on official business, the vehicle may:

- With the consent of the Mayor or Councillor, be driven by the spouse or partner of the Mayor or Councillor as long as that person is legally licensed to drive the Council vehicle; or
- Provided the Mayor or Councillor is in the vehicle at the time, be driven by any other fully licensed driver.

Council will meet the cost of service charges and official usage costs, with the Mayor to reimburse Council in respect of any private expenses incurred.

- b) Corporate Credit Card, to facilitate payment of official Council business expenses.
- c) Official stationary incorporating Mayoral letterhead for official Council correspondence issued under the hand of the Mayor.
- d) Business cards for his/her role as Mayor.
- e) Secretarial services – word processing and administrative support provided by the **Executive Secretary**.
- f) Administrative support – assistance with functions, meetings and the like.
- g) Office refreshments – as provided in the Mayoral Office for entertainment purposes.
- h) Where practicable, provision of an appropriate office, suitable for interviews and small civic receptions.
- i) Use of ceremonial clothing including Mayoral Robes and chains of office.
- j) A suitable name badge.

DEPUTY MAYOR

In addition to those facilities provided to the Deputy Mayor as a Councillor, the Deputy Mayor is to receive the benefits of the Mayor while acting in the office of Mayor.

COUNCILLORS WITH DISABILITIES

In addition to other clauses in this policy regarding the provision of facilities to Councillors, in the event of a Councillor having a disability that would prevent them from performing their civic duties without the provision of additional facilities, where necessary, and with the agreement of the Mayor and General Manager, additional appropriate facilities will be made available to that Councillor.

PART 4: OTHER MATTERS

ACQUISITION AND RETURNING OF FACILITIES AND EQUIPMENT BY COUNCILLORS

All equipment issued to Councillors remains the property of Council and shall be returned upon a Councillor ceasing to hold office.

CLAIMS FOR REIMBURSEMENT OF EXPENSES

Expenses claim forms to facilitate claims for reimbursement of travel, meals, registration, accommodation and out-of-pocket expenses will be provided to Councillors at each Council meeting.

Completed and signed claim forms are to be submitted monthly to the General Manager. Claims will be processed by staff in accordance with this policy.

Central Darling Shire

APPENDIX B

2018-19 Annual Financial Statements



Central Darling Shire Council

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2019

Central Darling Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2019

General Purpose Financial Statements

for the year ended 30 June 2019

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Overview

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

21 Reid Street
Wilcannia NSW 2836

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

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

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

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

Central Darling Shire Council

General Purpose Financial Statements

for the year ended 30 June 2019

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2019.

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 2019

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

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

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

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

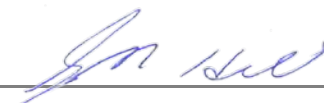
- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 23 October 2019.



Robert Stewart
Administrator
23 October 2019



Greg Hill
General Manager
23 October 2019



Jacob Philp
Responsible Accounting Officer
23 October 2019

Income Statement

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018 ¹
Income from continuing operations				
<u>Revenue:</u>				
2,199	Rates and annual charges	3a	2,202	2,033
2,493	User charges and fees	3b	6,966	9,539
75	Interest and investment revenue	3c	110	102
352	Other revenues	3d	446	570
11,254	Grants and contributions provided for operating purposes	3e,3f	10,436	10,043
4,175	Grants and contributions provided for capital purposes	3e,3f	2,106	1,211
<u>Other income:</u>				
–	Net gains from the disposal of assets	5	13	49
–	Net share of interests in joint ventures and associates using the equity method	14	1,461	–
20,548	Total income from continuing operations		23,740	23,547
Expenses from continuing operations				
4,554	Employee benefits and on-costs	4a	4,584	5,098
84	Borrowing costs	4b	61	101
7,137	Materials and contracts	4c	10,216	11,992
3,582	Depreciation and amortisation	4d	3,661	4,072
873	Other expenses	4e	1,408	1,017
16,230	Total expenses from continuing operations		19,930	22,280
4,318	Operating result from continuing operations		3,810	1,267
4,318	Net operating result for the year		3,810	1,267
4,318	Net operating result attributable to council		3,810	1,267
143	Net operating result for the year before grants and contributions provided for capital purposes		1,704	56

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

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

Statement of Comprehensive Income

for the year ended 30 June 2019

\$ '000	Notes	2019	2018 ¹
Net operating result for the year (as per Income Statement)		3,810	1,267
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	9(a)	(1,663)	4,431
Total items which will not be reclassified subsequently to the operating result		(1,663)	4,431
Total other comprehensive income for the year		(1,663)	4,431
Total comprehensive income for the year		2,147	5,698
Total comprehensive income attributable to Council		2,147	5,698

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

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

Statement of Financial Position

as at 30 June 2019

\$ '000	Notes	2019	2018 ¹
ASSETS			
Current assets			
Cash and cash equivalent assets	6(a)	3,190	4,220
Receivables	7	2,942	2,163
Inventories	8a	517	208
Other	8b	–	23
Total current assets		<u>6,649</u>	<u>6,614</u>
Non-current assets			
Infrastructure, property, plant and equipment	9(a)	172,295	172,279
Investments accounted for using the equity method	14	1,461	–
Total non-current assets		<u>173,756</u>	<u>172,279</u>
TOTAL ASSETS		<u>180,405</u>	<u>178,893</u>
LIABILITIES			
Current liabilities			
Payables	10	571	1,128
Income received in advance	10	88	75
Borrowings	10	165	623
Provisions	11	990	961
Total current liabilities		<u>1,814</u>	<u>2,787</u>
Non-current liabilities			
Borrowings	10	290	–
Provisions	11	785	737
Total non-current liabilities		<u>1,075</u>	<u>737</u>
TOTAL LIABILITIES		<u>2,889</u>	<u>3,524</u>
Net assets		<u>177,516</u>	<u>175,369</u>
EQUITY			
Accumulated surplus	12a	114,812	111,002
Revaluation reserves	12a	62,704	64,367
Council equity interest		<u>177,516</u>	<u>175,369</u>
Total equity		<u>177,516</u>	<u>175,369</u>

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

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 2019

\$ '000	Notes	2019			2018 ¹		
		Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus	IPP&E revaluation reserve	Total equity
Opening balance		111,002	64,367	175,369	109,735	59,936	169,671
Restated opening balance		111,002	64,367	175,369	109,735	59,936	169,671
Net operating result for the year		3,810	–	3,810	1,267	–	1,267
Restated net operating result for the period		3,810	–	3,810	1,267	–	1,267
Other comprehensive income							
– Gain (loss) on revaluation of IPP&E	9(a)	–	(1,663)	(1,663)	–	4,431	4,431
Other comprehensive income		–	(1,663)	(1,663)	–	4,431	4,431
Total comprehensive income		3,810	(1,663)	2,147	1,267	4,431	5,698
Equity – balance at end of the reporting period		114,812	62,704	177,516	111,002	64,367	175,369

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under *AASB 139 Financial Instruments: Recognition and Measurement*

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 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018
Cash flows from operating activities				
<u>Receipts</u>				
1,979	Rates and annual charges		2,166	1,891
2,443	User charges and fees		6,639	13,816
75	Investment and interest revenue received		117	54
11,309	Grants and contributions		12,332	11,693
–	Bonds, deposits and retention amounts received		1	3
4,119	Other		1,685	512
<u>Payments</u>				
(4,554)	Employee benefits and on-costs		(4,624)	(5,151)
(7,137)	Materials and contracts		(10,525)	(13,636)
(52)	Borrowing costs		(61)	(101)
(552)	Other		(3,265)	(1,607)
7,630	Net cash provided (or used in) operating activities	13b	4,465	7,474
Cash flows from investing activities				
<u>Receipts</u>				
–	Sale of infrastructure, property, plant and equipment		13	49
<u>Payments</u>				
(7,073)	Purchase of infrastructure, property, plant and equipment		(5,340)	(5,433)
(7,073)	Net cash provided (or used in) investing activities		(5,327)	(5,384)
Cash flows from financing activities				
<u>Payments</u>				
(99)	Repayment of borrowings and advances		(168)	(100)
(99)	Net cash flow provided (used in) financing activities		(168)	(100)
458	Net increase/(decrease) in cash and cash equivalents		(1,030)	1,990
2,375	Plus: cash and cash equivalents – beginning of year	13a	4,220	2,230
2,833	Cash and cash equivalents – end of the year	13a	3,190	4,220
Additional Information:				
2,833	Total cash, cash equivalents and investments		3,190	4,220

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

Notes to the Financial Statements

for the year ended 30 June 2019

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 31 October 2019. Council has the power to amend and reissue these financial statements.

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

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

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

Council is a not for-profit entity.

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

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

- Income statement
- Statement of cash flows
- Note 18 – Material budget variations

and are clearly marked.

(a) New and amended standards adopted by Council

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2019.

Those newly adopted standards which had an impact on reported position, performance and/or disclosures have been discussed in Note 12.

(b) Historical cost convention

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

(c) Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Council and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note 9.
- (ii) estimated tip remediation provisions – refer Note 10.
- (iii) employee benefit provisions – refer Note 10.

Significant judgements in applying the council's accounting policies

- (i) Impairment of receivables

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

Council has made a significant judgement about the impairment of a number of its receivables – refer Note 7.

Monies and other assets received by Council

(a) The Consolidated Fund

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

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

- General purpose operations
- Water service
- Sewerage service

(b) The Trust Fund

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

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

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.

New accounting standards and interpretations issued not yet effective

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods (and which have not been early adopted by Council).

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 16 Leases

AASB 16 will result (for YE 19/20 and beyond) in almost all operating leases being recognised on the balance sheet by Council (alongside existing finance leases) with the distinction between operating and finance leases removed.

Under the new standard, a financial liability (ie. a lease liability) and an asset (ie. a right to use the leased item) will be recognised for nearly all arrangements where Council commits itself to paying a rental fee for the use of a specific asset.

The only exceptions are short-term and low-value leases which are exempt from the accounting (but not disclosure) requirements of AASB 16 - Leases.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

Council staff have reviewed all of Council's leasing arrangements over the last 12 months taking into consideration the new lease accounting rules in AASB 16 (applicable from 1/7/19).

AASB 16 will (on the whole) affect Council's accounting for existing operating lease agreements that are in place as at 30/6/19.

At the end of this reporting period, Council has non-cancellable operating lease commitments of \$284,000 - refer Note 18(c).

Of these commitments, approximately \$4000 relate to short-term leases.

Both these lease types and amounts will continue to be accounted for as they currently are (being expensed on a straight-line basis within the Income Statement).

For the remaining operating lease commitments of \$51,000 Council anticipates it will recognise lease liabilities (on its balance sheet) of \$261,000 (after adjustments for prepayments and accrued lease payments recognised as at 30 June 2019) and also recognise complimentary right-of-use assets (on its balance sheet) totaling \$261,000 on 1 July 2019.

From a financial position standpoint, as a result of recognising the above lease liabilities and right-of-use assets, Council's net assets (as at 1 July 2019) will be approximately \$261,000 lower while net current assets will be \$261,000 lower due to the presentation of a portion of the lease liability as a current liability.

From a financial performance standpoint, Council expects that net operating result will decrease by approximately \$18,750 for the 19/20 financial year as a result of adopting the standard.

Operating cash flows will increase and financing cash flows decrease by approximately \$30,000 as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

AASB 15 Revenue from Contracts with Customers and associated amending standards.

AASB15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

Accounting policy changes will arise in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

Councils should assess each revenue stream but particular impact is expected for grant income and rates which are paid before the commencement of the rating period.

The changes in revenue recognition requirements in AASB15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures.

The impact of AASB15 is expected to be minimal.

AASB 1058 Income of NFP Entities

AASB 1058 supersedes all the income recognition requirements relating to councils, previously in AASB 1004 Contributions.

Under AASB 1058 the future timing of income recognition will depend on whether the transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service) related to an asset (such as cash or another asset) received by an entity.

AASB 1058 also applies when a council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the council's objective is principally to enable the asset to further the council's objectives.

Upon initial recognition of the asset, this standard requires council to consider whether any other financial statement elements (called 'related amounts') should be recognised in accordance with the applicable accounting standard, such as:

- (a) contributions by owners
- (b) revenue, or a contract liability arising from a contract with a customer

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

- (c) a lease liability
- (d) a financial instrument, or
- (e) a provision.

If the transaction is a transfer of a financial asset to enable council to acquire or construct a recognisable non-financial asset to be controlled by council (i.e. an in-substance acquisition of a non-financial asset), the council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. Council will then recognise income as it satisfies its obligations under the transfer similarly to income recognition in relation to performance obligations under AASB 15.

If the transaction does not enable council to acquire or construct a recognisable non-financial asset to be controlled by council, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income.

The specific impacts of AASB1058 for Council are expected to be minimal.

AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities

This Standard provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below market terms and conditions, principally to enable the entity to further its objectives (for example, concessionary or peppercorn leases).

The Standard requires an entity that elects to apply the option (i.e. measures a class or classes of such right-of-use assets at cost rather than fair value) to include additional disclosures in the financial statements to ensure users understand the effects on the financial position, financial performance and cash flows of the entity arising from these leases

As per a NSW Office of Local Government recommendation, Council has elected to measure right-of-use assets (under a concessionary or peppercorn lease) at cost. The standard requires additional disclosures be provided in relation to below market-value leases measured at cost.

The specific impacts of AASB2018-8 for Council are expected to be minimal.

Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2018.

Going concern

Council has been under administration since 23 December 2013 due to its poor financial position.

Since that time Council has operated on an altered business model by reducing staff and contractors and tightly controlling expenditure.

The financial statements for the 2019 year have been prepared on a going concern basis.

Management believe Council is a going concern as it forecasts positive net cash flows for future years in its Long Term Financial Plan.

Central Darling Shire received Ministerial approval under section 410 of the *Local Government Act 1993*, to allow Council to continue utilising restricted cash reserves to cover operational shortfalls until 30 June 2020, at which time any such outstanding funds must be restored.

Notes to the Financial Statements
for the year ended 30 June 2019

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

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

\$ '000	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Total assets held (current and non-current)	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Functions or activities										
Governance	–	–	138	133	(138)	(133)	–	–	551	560
Administration	1,769	2,095	3,186	5,790	(1,417)	(3,695)	–	–	11,596	11,598
Public order and safety	101	148	102	356	(1)	(208)	100	100	1,298	1,342
Environment	716	134	1,330	558	(614)	(424)	169	3	444	444
Community services and education	3	23	287	268	(284)	(245)	3	5	283	283
Housing and community amenities	932	16	24	140	908	(124)	930	–	3,405	3,555
Water supplies	1,929	1,107	1,537	1,514	392	(407)	927	143	28,053	26,290
Sewerage services	217	491	266	479	(49)	12	–	303	4,514	4,467
Recreation and culture	14	237	651	677	(637)	(440)	13	52	11,014	11,028
Transport and communications	11,423	12,799	12,369	12,056	(946)	743	1,570	2,657	119,247	119,326
Economic affairs	173	334	40	309	133	25	100	–	–	–
General purpose income	6,463	6,163	–	–	6,463	6,163	5,573	5,292	–	–
Total functions and activities	23,740	23,547	19,930	22,280	3,810	1,267	9,385	8,555	180,405	178,893

Notes to the Financial Statements

for the year ended 30 June 2019

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

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

Governance

Includes costs relating to Council's role as a component of democratic government, including elections, subscriptions to local authority associations, meetings of Council and policy-making committees, public disclosures (e.g. GIPA) and legislative compliance.

Administration

Includes corporate support, executive services, shire services and any other Council policy compliance.

Public order and safety

Includes Council's fire and emergency services levy, fire protection, emergency services, enforcement of regulations and animal control.

Health

Includes immunisations, food control and health clinics.

Environment

Includes noxious plan and insect/vermin control; other environmental protection; solid waste management, including domestic waste; other waste management; other sanitation; and garbage, street cleaning, drainage and stormwater management.

Community services and education

Includes administration and education; social protection (welfare); migrant, Aboriginal and other community services and administration, youth services; aged and disabled services and children's services.

Housing and community amenities

Includes public cemeteries; public conveniences; street lighting; town planning; and other community amenities

Water supplies

Supply of water services to W ilcannia, Menindee, White Cliffs and Ivanhoe.

Sewerage services

Supply of sewerage services to W ilcannia.

Recreation and culture

Includes community centres and halls, sporting grounds, venues, swimming pools, parks and gardens, and other sporting, recreational and cultural services.

Transport and communications

Includes sealed and unsealed roads, bridges, footpaths, parking areas, and aerodromes.

Economic affairs

Includes camping areas and caravan parks, tourism and area promotion, and other business undertakings.

General purpose income

Includes grant funding not directly attributable to the above categories.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations

\$ '000	2019	2018
(a) Rates and annual charges		
Ordinary rates		
Residential	329	322
Farmland	439	429
Business	45	44
Rates levied to ratepayers	813	795
Pensioner rate subsidies received	20	19
Total ordinary rates	833	814
Annual charges		
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>		
Domestic waste management services	547	504
Water supply services	612	533
Sewerage services	210	182
Annual charges levied	1,369	1,219
Total annual charges	1,369	1,219
<u>TOTAL RATES AND ANNUAL CHARGES</u>	<u>2,202</u>	<u>2,033</u>

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

Accounting policy for rates and charges

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts.

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.

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(b) User charges and fees		
Specific user charges		
<small>(per s.502 - specific 'actual use' charges)</small>		
Domestic waste management services	–	1
Water supply services	344	392
Total specific user charges	344	393
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Planning and building regulation	32	14
Private works – section 67	732	597
Total fees and charges – statutory/regulatory	764	611
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Caravan park	23	39
Cemeteries	11	10
Leaseback fees – Council vehicles	2	3
RMS (formerly RTA) charges (state roads not controlled by Council)	5,603	8,366
Swimming centres	1	4
Waste disposal tipping fees	56	32
Rent and hire of council property	11	12
Other	151	69
Total fees and charges – other	5,858	8,535
TOTAL USER CHARGES AND FEES	6,966	9,539

Accounting policy for user charges and fees

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(c) Interest and investment revenue (including losses)		
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	102	89
– Cash and investments	8	13
<u>TOTAL INTEREST AND INVESTMENT REVENUE</u>	<u>110</u>	<u>102</u>
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	49	47
General Council cash and investments	8	10
Restricted investments/funds – external:		
Water fund operations	46	39
Sewerage fund operations	7	6
Total interest and investment revenue	<u>110</u>	<u>102</u>

Accounting policy for interest and investment revenue

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

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(d) Other revenues		
Rental income – other council properties	65	79
Commissions and agency fees	194	238
Insurance claims recoveries	61	104
Sales – general	65	57
Other	61	92
<u>TOTAL OTHER REVENUE</u>	<u>446</u>	<u>570</u>

Accounting policy for other revenue

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

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

Rental income is accounted for on a straight-line basis over the lease term.

Miscellaneous sales are recognised when physical possession has transferred to the customer which is deemed to be the point of transfer of risks and rewards.

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(e) Grants				
General purpose (untied)				
Financial assistance – general component	3,961	3,721	–	–
Financial assistance – local roads component	1,612	1,571	–	–
Total general purpose	5,573	5,292	–	–
Specific purpose				
Bushfire and emergency services	100	100	–	–
Community care	10	5	–	–
Environmental programs	8	–	159	3
Heritage and cultural	13	51	–	100
Public halls	–	–	507	–
Recreation and culture	–	–	101	–
Transport (roads to recovery)	545	1,592	–	–
Transport (other roads and bridges funding)	–	–	1,025	900
Airport	–	–	–	65
Youth	3	1	–	–
Water and sewer	927	303	–	143
Other	–	–	314	–
Crown Land Administration	100	–	–	–
Total specific purpose	1,706	2,052	2,106	1,211
Total grants	7,279	7,344	2,106	1,211
Grant revenue is attributable to:				
– Commonwealth funding	545	1,592	–	–
– State funding	6,734	5,752	2,106	1,211
	7,279	7,344	2,106	1,211

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(f) Contributions					
Other contributions:					
Cash contributions					
RMS contributions (regional roads, block grant)		3,157	2,699	–	–
Total other contributions – cash		<u>3,157</u>	<u>2,699</u>	<u>–</u>	<u>–</u>
Total other contributions		<u>3,157</u>	<u>2,699</u>	<u>–</u>	<u>–</u>
Total contributions		<u>3,157</u>	<u>2,699</u>	<u>–</u>	<u>–</u>
TOTAL GRANTS AND CONTRIBUTIONS		<u>10,436</u>	<u>10,043</u>	<u>2,106</u>	<u>1,211</u>

Accounting policy for grants and contributions

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(g) Unspent grants and contributions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:		
Operating grants		
Unexpended at the close of the previous reporting period	–	521
Add: operating grants recognised in the current period but not yet spent	2	–
Add: operating grants received for the provision of goods and services in a future period	–	–
Less: operating grants recognised in a previous reporting period now spent	–	(521)
Unexpended and held as restricted assets (operating grants)	<u>2</u>	<u>–</u>
Unspent funds relating to Roads to Recovery funding received in the 2019 financial year.		
Capital grants		
Unexpended at the close of the previous reporting period	103	–
Add: capital grants recognised in the current period but not yet spent	–	–
Add: capital grants received for the provision of goods and services in a future period	–	103
	(103)	–
Unexpended and held as restricted assets (capital grants)	<u>–</u>	<u>103</u>

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations

\$ '000	2019	2018
(a) Employee benefits and on-costs		
Salaries and wages	3,732	4,248
Employee leave entitlements (ELE)	494	507
Superannuation	295	264
Workers' compensation insurance	81	64
Fringe benefit tax (FBT)	42	58
Training costs (other than salaries and wages)	69	58
Total employee costs	4,713	5,199
Less: capitalised costs	(129)	(101)
TOTAL EMPLOYEE COSTS EXPENSED	4,584	5,098
Number of 'full-time equivalent' employees (FTE) at year end	45	42

Accounting policy for employee benefits and on-costs

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

Retirement benefit obligations

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

Superannuation plans

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

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note 16 for more information.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	2019	2018
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on loans		25	65
Total interest bearing liability costs expensed		25	65
(ii) Other borrowing costs			
Fair value adjustments on recognition of advances and deferred debtors			
– Remediation liabilities	11	36	36
Total other borrowing costs		36	36
<u>TOTAL BORROWING COSTS EXPENSED</u>		<u>61</u>	<u>101</u>

Accounting policy for borrowing costs

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
(c) Materials and contracts		
Raw materials and consumables	9,623	11,414
– Contractor costs	132	104
Auditors remuneration ²	53	52
Legal expenses:		
– Legal expenses: debt recovery	–	64
– Legal expenses: other	6	3
Operating leases:		
– Operating lease rentals: minimum lease payments ¹	402	355
Total materials and contracts	<u>10,216</u>	<u>11,992</u>
TOTAL MATERIALS AND CONTRACTS	<u>10,216</u>	<u>11,992</u>

Accounting policy for operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

1. Operating lease payments are attributable to:

Computers	20	21
Motor vehicles	382	334
	<u>402</u>	<u>355</u>

2. Auditor remuneration

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

Auditors of the Council - NSW Auditor-General:**(i) Audit and other assurance services**

Audit and review of financial statements	53	52
Remuneration for audit and other assurance services	<u>53</u>	<u>52</u>
Total Auditor-General remuneration	<u>53</u>	<u>52</u>

Non NSW Auditor-General audit firms

Total remuneration of non NSW Auditor-General audit firms	<u>–</u>	<u>–</u>
Total Auditor remuneration	<u>53</u>	<u>52</u>

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	2019	2018
(d) Depreciation, amortisation and impairment of intangible assets and IPP&E			
Depreciation and amortisation			
Plant and equipment		137	142
Infrastructure:			
– Buildings – non-specialised		843	843
– Other structures		230	236
– Roads		1,663	2,077
– Stormwater drainage		25	17
– Water supply network		628	628
– Sewerage network		86	86
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	9(a),11	49	43
Total gross depreciation and amortisation costs		<u>3,661</u>	<u>4,072</u>
Total depreciation and amortisation costs		<u>3,661</u>	<u>4,072</u>
<u>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT FOR INTANGIBLES AND IPP&E</u>		<u>3,661</u>	<u>4,072</u>

Accounting policy for depreciation, amortisation and impairment expenses of intangibles and IPP&E**Depreciation and amortisation**

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note 9 for IPPE.

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
(e) Other expenses		
Advertising	8	4
Bad and doubtful debts	250	–
Bank charges	9	6
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	139	–
Donations, contributions and assistance to other organisations (Section 356)	22	21
Electricity and heating	222	201
Insurance	392	350
Printing and stationery	41	33
Street lighting	71	62
Subscriptions and publications	130	136
Telephone and communications	96	187
Valuation fees	28	17
Total other expenses	1,408	1,017
TOTAL OTHER EXPENSES	1,408	1,017

Accounting policy for other expenses

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 5. Gains or losses from the disposal, replacement and de-recognition of assets

\$ '000	Notes	2019	2018
Property (excl. investment property)			
Proceeds from disposal – property		–	35
Net gain/(loss) on disposal		–	35
Plant and equipment			
	9(a)		
Proceeds from disposal – plant and equipment		13	14
Net gain/(loss) on disposal		13	14
<u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u>		<u>13</u>	<u>49</u>

Accounting policy for disposal of assets

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(a). Cash and cash equivalent assets

\$ '000	2019	2018
Cash and cash equivalents		
Cash on hand and at bank	3,190	4,220
Total cash and cash equivalents	3,190	4,220

Accounting policy for cash and cash equivalents

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(b). Restricted cash, cash equivalents and investments – details

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Total cash, cash equivalents and investments	3,190	–	4,220	–
attributable to:				
External restrictions	2,150	–	1,712	–
Internal restrictions	–	–	–	–
Unrestricted	1,040	–	2,508	–
	<u>3,190</u>	<u>–</u>	<u>4,220</u>	<u>–</u>

\$ '000	2019	2018
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Details of restrictions

External restrictions – other

Specific purpose unexpended grants	2	103
Water supplies	1,329	1,206
Sewerage services	427	403
Domestic waste management	392	–
External restrictions – other	<u>2,150</u>	<u>1,712</u>

Total external restrictions

TOTAL RESTRICTIONS

<u>2,150</u>	<u>1,712</u>
<u>2,150</u>	<u>1,712</u>

Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Receivables

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Purpose				
Rates and annual charges	1,206	–	1,000	–
Interest and extra charges	545	–	472	–
User charges and fees	896	–	556	–
Government grants and subsidies	210	–	–	–
Net GST/PAYG receivable	815	–	615	–
Total	3,672	–	2,643	–
Less: provision of impairment				
Rates and annual charges	(440)	–	(270)	–
Interest and extra charges	(190)	–	(110)	–
User charges and fees	(100)	–	(100)	–
Total provision for impairment – receivables	(730)	–	(480)	–
TOTAL NET RECEIVABLES	2,942	–	2,163	–
Externally restricted receivables				
Water supply				
– Rates and availability charges	992	–	859	–
– Other	110	–	–	–
Sewerage services				
– Rates and availability charges	147	–	134	–
Total external restrictions	1,249	–	993	–
Unrestricted receivables	1,693	–	1,170	–
TOTAL NET RECEIVABLES	2,942	–	2,163	–

\$ '000	2019	2018
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 139)	480	480
+ new provisions recognised during the year	250	–
Balance at the end of the period	730	480

Accounting policy for receivables

Recognition and measurement

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

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

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

Impairment

Accounting policy under AASB 9 applicable from 1 July 2018

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Receivables (continued)

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

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

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

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

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

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

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

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the receivables are over 5 years past due, whichever occurs first.

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.

Accounting policy under AASB 139 – applicable for 2018 comparatives only

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

Collectability of receivables is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. When a receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Income Statement.

Rates and annual charges outstanding are secured against the property.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 8. Inventories and other assets

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Inventories				
(i) Inventories at cost				
Stores and materials	517	–	208	–
Total inventories at cost	517	–	208	–
<u>TOTAL INVENTORIES</u>	<u>517</u>	<u>–</u>	<u>208</u>	<u>–</u>
(b) Other assets				
Prepayments	–	–	23	–
<u>TOTAL OTHER ASSETS</u>	<u>–</u>	<u>–</u>	<u>23</u>	<u>–</u>

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Total externally restricted assets	–	–	–	–
Total internally restricted assets	–	–	–	–
Total unrestricted assets	517	–	231	–
<u>TOTAL INVENTORIES AND OTHER ASSETS</u>	<u>517</u>	<u>–</u>	<u>231</u>	<u>–</u>

Accounting policy for inventories and other assets

Raw materials and stores, work in progress and finished goods

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

Notes to the Financial Statements
for the year ended 30 June 2019

Note 9(a). Infrastructure, property, plant and equipment

\$ '000	as at 30/6/2018			Asset movements during the reporting period						as at 30/6/2019		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ⁽¹⁾	Additions new assets	Depreciation expense	WIP transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	3,823	–	3,823	5,065	–	–	(6,206)	–	–	2,682	–	2,682
Plant and equipment	3,144	(2,263)	881	–	261	(137)	–	–	–	3,405	(2,400)	1,005
Land:												
– Operational land	458	–	458	–	–	–	–	–	–	458	–	458
– Community land	523	–	523	–	–	–	–	–	–	523	–	523
Infrastructure:												
– Buildings – non-specialised	32,943	(19,887)	13,056	–	–	(843)	459	–	–	33,402	(20,730)	12,672
– Other structures	7,417	(2,813)	4,604	–	–	(230)	18	(2,227)	–	7,288	(5,123)	2,165
– Roads, bridges, footpaths	121,773	(26,919)	94,854	–	–	(1,663)	5,075	–	–	126,848	(28,582)	98,266
– Bulk earthworks (non-depreciable)	24,234	–	24,234	–	–	–	–	–	–	24,235	–	24,235
– Stormwater drainage	1,293	(316)	977	–	–	(25)	–	(233)	–	1,379	(660)	719
– Water supply network	43,784	(18,970)	24,814	–	–	(628)	654	–	701	45,139	(19,598)	25,541
– Sewerage network	6,027	(2,097)	3,930	–	–	(86)	–	–	96	6,123	(2,184)	3,939
Reinstatement, rehabilitation and restoration assets (refer Note 11):												
– Tip assets	475	(350)	125	–	13	(49)	–	–	–	488	(398)	90
Total Infrastructure, property, plant and equipment	245,894	(73,615)	172,279	5,065	274	(3,661)	–	(2,460)	797	251,970	(79,675)	172,295

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

Notes to the Financial Statements
for the year ended 30 June 2019

Note 9(a). Infrastructure, property, plant and equipment (continued)

\$ '000	as at 30/6/2017			Asset movements during the reporting period				as at 30/6/2018		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ¹	Depreciation expense	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	1,418	–	1,418	5,128	–	(2,723)	–	3,823	–	3,823
Plant and equipment	2,929	(2,121)	808	215	(142)	–	–	3,144	(2,263)	881
Land:										
– Operational land	268	–	268	–	–	–	190	458	–	458
– Community land	523	–	523	–	–	–	–	523	–	523
Infrastructure:										
– Buildings – non-specialised	31,802	(22,153)	9,649	9	(843)	–	4,241	32,943	(19,887)	13,056
– Other structures	7,001	(2,577)	4,424	–	(236)	416	–	7,417	(2,813)	4,604
– Roads	119,466	(24,842)	94,624	–	(2,077)	2,307	–	121,773	(26,919)	94,854
– Bulk earthworks (non-depreciable)	24,234	–	24,234	–	–	–	–	24,234	–	24,234
– Stormwater drainage	1,294	(300)	994	–	(17)	–	–	1,293	(316)	977
– Water supply network	43,784	(18,342)	25,442	–	(628)	–	–	43,784	(18,970)	24,814
– Sewerage network	6,027	(2,011)	4,016	–	(86)	–	–	6,027	(2,097)	3,930
Reinstatement, rehabilitation and restoration assets (refer Note 14):										
– Tip assets	393	(306)	87	81	(43)	–	–	475	(350)	125
Total Infrastructure, property, plant and equipment	239,139	(72,652)	166,487	5,433	(4,072)	–	4,431	245,894	(73,615)	172,279

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 9(a). Infrastructure, property, plant and equipment (continued)

Accounting policy for infrastructure, property, plant and equipment

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

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

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

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

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

Land is not depreciated. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Council will obtain ownership at the end of the lease term. 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	Unealed roads	20
Unsealed roads	20	Other open space/recreational assets	20
Bridge: concrete	100	Other infrastructure	20
Bridge: other	50		
Road pavements	60		
Kerb, gutter and footpaths	40		

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

Land under roads

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 9(a). Infrastructure, property, plant and equipment (continued)

Crown reserves

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

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

Rural Fire Service assets

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

These Rural Fire Service assets are not recognised as assets of the Council in these financial statements.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 9(b). Externally restricted infrastructure, property, plant and equipment

\$ '000	2019			2018		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
Water supply						
Land						
– Operational land	81	–	81	81	–	81
Infrastructure	45,139	19,598	25,541	43,784	18,970	24,814
Total water supply	45,220	19,598	25,622	43,865	18,970	24,895
Sewerage services						
Infrastructure	6,124	2,184	3,940	6,027	2,097	3,930
Total sewerage services	6,124	2,184	3,940	6,027	2,097	3,930
Domestic waste management						
Plant and equipment	874	461	413	874	414	460
Total DWM	874	461	413	874	414	460
<u>TOTAL RESTRICTED I,PP&E</u>	52,218	22,243	29,975	50,766	21,481	29,285

Notes to the Financial Statements
for the year ended 30 June 2019

Note 10. Payables and borrowings

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Payables				
Accrued expenses:				
– Salaries and wages	7	–	75	–
– Other expenditure accruals	560	–	1,050	–
Security bonds, deposits and retentions	4	–	3	–
Total payables	571	–	1,128	–
Income received in advance				
Payments received in advance	88	–	75	–
Total income received in advance	88	–	75	–
Borrowings				
Loans – secured ¹	165	290	623	–
Total borrowings	165	290	623	–
<u>TOTAL PAYABLES AND BORROWINGS</u>	<u>824</u>	<u>290</u>	<u>1,826</u>	<u>–</u>

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

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 17.

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Payables and borrowings relating to restricted assets				
Total payables and borrowings relating to unrestricted assets	824	290	1,826	–
<u>TOTAL PAYABLES AND BORROWINGS</u>	<u>824</u>	<u>290</u>	<u>1,826</u>	<u>–</u>

(b) Current payables and borrowings not anticipated to be settled within the next twelve months

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

Total payables and borrowings	–	–
--------------------------------------	----------	----------

(c) Changes in liabilities arising from financing activities

\$ '000	as at 30/6/2018					as at 30/6/2019	
	Opening Balance	Cash flows	Non-cash acquisitions	Non-cash fair value changes	Other non-cash movements	Closing balance	
Loans – secured	623	(168)	–	–	–	455	
TOTAL	623	(168)	–	–	–	455	

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10. Payables and borrowings (continued)

\$ '000	as at 30/6/2017		as at 30/6/2018			Closing balance
	Opening Balance	Cash flows	Non-cash acquisitions	Non-cash fair value changes	Other non-cash movements	
Loans – secured	723	(100)	–	–	–	623
TOTAL	723	(100)	–	–	–	623

\$ '000	2019	2018
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(d) Financing arrangements**(i) Unrestricted access was available at balance date to the following lines of credit:**

Credit cards/purchase cards	45	38
Total financing arrangements	45	38

Drawn facilities as at balance date:

– Credit cards/purchase cards	7	4
Total drawn financing arrangements	7	4

Undrawn facilities as at balance date:

– Credit cards/purchase cards	38	34
Total undrawn financing arrangements	38	34

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 the general rating income of Council.
Leased liabilities are secured by the underlying leased assets.

Accounting policy for payables and borrowings

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

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

Payables

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

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective-interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10. Payables and borrowings (continued)

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 11. Provisions

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Provisions				
Employee benefits				
Annual leave	541	–	483	–
Long service leave	449	23	478	24
Sub-total – aggregate employee benefits	990	23	961	24
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	762	–	713
Sub-total – asset remediation/restoration	–	762	–	713
<u>TOTAL PROVISIONS</u>	<u>990</u>	<u>785</u>	<u>961</u>	<u>737</u>

(a) Provisions relating to restricted assets

Total provisions relating to restricted assets	–	–	–	–
Total provisions relating to unrestricted assets	990	785	961	737
<u>TOTAL PROVISIONS</u>	<u>990</u>	<u>785</u>	<u>961</u>	<u>737</u>

\$ '000	2019	2018
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(b) Current provisions not anticipated to be settled within the next twelve months

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

Provisions – employees benefits	705	620
	<u>705</u>	<u>620</u>

Notes to the Financial Statements

for the year ended 30 June 2019

Note 11. Provisions (continued)

(c) Description of and movements in provisions

\$ '000	ELE provisions		
	Annual leave	Long service leave	Total
2019			
At beginning of year	483	502	985
Other	58	(30)	28
Total ELE provisions at end of period	541	472	1,013
2018			
At beginning of year	502	553	1,055
Additional provisions	233	82	315
Amounts used (payments)	(252)	(133)	(385)
Total ELE provisions at end of period	483	502	985

\$ '000	Other provisions	
	Asset remediation	Total
2019		
At beginning of year	713	713
Additional provision for landfill remediation	49	49
Total other provisions at end of period	762	762
2018		
At beginning of year	595	595
Additional provision for landfill remediation	118	118
Total other provisions at end of period	713	713

Nature and purpose of non-employee benefit provisions

Asset remediation

Council has a legal/public obligation to make, restore, rehabilitate and reinstate the council's landfills.

Accounting policy for provisions

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

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

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

Employee benefits

Short-term obligations

Notes to the Financial Statements

for the year ended 30 June 2019

Note 11. Provisions (continued)

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

Other long-term employee benefit obligations

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

On-costs

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

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

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

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

Restoration

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

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

Rehabilitation

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 11. Provisions (continued)

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 12. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

(a) Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

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

Fair value through other comprehensive income reserve (FVOCI)

Changes in the fair value of financial assets are taken through the fair value through other comprehensive income revaluation reserve. The accumulated changes in fair value are transferred to profit or loss when the financial asset is derecognised or impaired.

Available for sale investments revaluation reserve (2018 only)

Changes in fair value are taken to the available-for-sale investments revaluation reserve, amounts are recognised in profit and loss when the associated assets are sold or impaired.

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

During the year, Council adopted a number of new accounting standards. The impact of the adoption and associated transition disclosures are shown below.

The Council has adopted AASB 9 Financial Instruments for the first time in the current year with a date of initial adoption of 1 July 2017. As part of the adoption of AASB 9, the Council adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 Presentation of Financial Statements requires the impairment of financial assets to be presented in a separate line item in the income statement. In prior year, this information was presented as part of other expenses.
- AASB 7 Financial Instruments: Disclosures requires amended disclosures due to changes arising from AASB 9. These disclosures have been provided for the current year.

The key changes to Council's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except Council has not restated any amounts relating to classification and measurement requirements, including impairment, which have been applied from 1 July 2018.

Classification of financial assets

The financial assets of Council have been reclassified into one of the following categories on adoption of AASB 9, based primarily on the business model in which a financial asset is managed and its contractual cash flow characteristics are:

- measured at amortised cost
- fair value through profit or loss
- fair value through other comprehensive income – equity instruments

Measurement of equity instruments

All equity instruments of the Council are measured at fair value under AASB 9 whereas there was a cost exception under AASB 139 that allowed certain unlisted investments to be carried at amortised cost in the absence of a reliable measurement of fair value. Any difference in the previous carrying amount and the fair value is recognised in the opening retained earnings (or other component of equity, as appropriate) at 1 July 2018.

Equity instruments are no longer subject to impairment testing and therefore all movements on equity instruments, classified as fair value through other comprehensive income, are taken to the relevant reserve.

Impairment of financial assets

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost. This has resulted in the earlier recognition of credit loss (bad debt provisions).

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Statement of cash flows - additional information

\$ '000	Notes	2019	2018
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6(a)	3,190	4,220
Balance as per the Statement of Cash Flows		3,190	4,220
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		3,810	1,267
Adjust for non-cash items:			
Depreciation and amortisation		3,661	4,072
Net losses/(gains) on disposal of assets		(13)	(49)
Share of net (profits)/losses of associates/joint ventures using the equity method		(1,461)	–
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(1,029)	2,848
Increase/(decrease) in provision for impairment of receivables		250	–
Decrease/(increase) in inventories		(309)	(25)
Decrease/(increase) in other current assets		23	2
Increase/(decrease) in other accrued expenses payable		(558)	(691)
Increase/(decrease) in other liabilities		14	2
Increase/(decrease) in provision for employee benefits		28	(70)
Increase/(decrease) in other provisions		49	118
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		4,465	7,474

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Interests in other entities

\$ '000	Council's share of net income		Council's share of net assets	
	2019	2018	2019	2018
Joint Arrangement	1,461	–	1,461	–
Total	1,461	–	1,461	–

Joint arrangements

(i) Joint ventures

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

(c) Relevant interests and fair values

\$ '000	Interest in outputs		Interest in ownership		Proportion of voting power	
	2019	2018	2019	2018	2019	2018
Far West Joint Organisation	25.0%	0.0%	25.0%	0.0%	25.0%	0.0%

(d) Summarised financial information for joint ventures

\$ '000	Far West Joint Organisation	
	2019	2018
Statement of financial position		
Current assets		
Cash and cash equivalents	6,369	–
Other current assets	1	–
Non-current assets		
	41	–
Current liabilities		
Other current liabilities	567	–
Net assets	5,844	–
Reconciliation of the carrying amount		
Profit/(loss) for the period	5,844	–
Closing net assets	5,844	–
Council's share of net assets (%)	25.0%	0.0%
Council's share of net assets (\$)	1,461	–
Statement of comprehensive income		
Income	5,844	–
Profit/(loss) from continuing operations	5,844	–
Profit/(loss) for the period	5,844	–
Total comprehensive income	5,844	–
Share of income – Council (%)	25.0%	0.0%
Profit/(loss) – Council (\$)	1,461	–
Total comprehensive income – Council (\$)	1,461	–

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Interests in other entities (continued)

\$ '000	Far West Joint Organisation	
	2019	2018
Summarised Statement of cash flows		
Cash flows from operating activities	6,418	–
Cash flows from investing activities	(49)	–
Net increase (decrease) in cash and cash equivalents	6,369	–

(ii) Joint operations

\$ '000	Principal activity	Place of business	Interest in ownership		Interest in voting	
			2019	2018	2019	2018
(a) Council is involved in the following joint operations (JO's)						
Name of joint operation:						
Far West Joint Organisation	To provide a stronger voice for Local Government and the communities they represent.	6 Midway Dr, Buronga, NSW 2738 Australia	25%	0%	25%	0%

Accounting policy for joint arrangements

The council has determined that it has only joint ventures

Joint ventures:

Interests in joint ventures are accounted for using the equity method in accordance with *AASB128 Investments in Associates and Joint Ventures*.

Under this method, the investment is initially recognised as a 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 joint venture after the date of acquisition.

If the Council's share of losses of a joint venture equals or exceeds its interest in the joint venture, the Council discontinues recognising its share of further losses.

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

Adjustments are made to the joint venture's accounting policies where they are different from those of the Council for the purposes of the consolidated financial statements.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. Commitments

\$ '000	2019	2018
Operating lease commitments (non-cancellable)		
a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:		
Within the next year	284	436
Later than one year and not later than 5 years	51	285
Total non-cancellable operating lease commitments	335	721

b. Non-cancellable operating leases include the following assets:

Office Equipment and computers
Motor Vehicles

Conditions relating to finance and operating leases:

- All finance agreements are secured only against the leased asset.
- No lease agreements impose any financial restrictions on Council regarding future debt etc.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Contingencies and other assets/liabilities not recognised

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

LIABILITIES NOT RECOGNISED**1. Guarantees****(i) Defined benefit superannuation contribution plans**

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

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.
- Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer.
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers, and hence shares in the associated gains and losses (to the extent that they are not borne by members).

Description of the funding arrangements.

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

The standard 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	1.9 times employee contributions
Division C	2.5% salaries
Division D	1.64 times employee contributions

The additional lump sum contribution for each Pooled Employer is a share of the total additional contributions of \$40 million per annum from 1 July 2018 for 3 years to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2018. These additional lump sum contributions are used to fund the deficit of assets to accrued liabilities as at 30 June 2018.

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

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

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

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

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2019 was \$36,424.74. The last valuation of the Scheme was performed by Mr Richard Boyfield, FIAA on 31 December 2018, and covers the period ended 30 June 2019.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Contingencies and other assets/liabilities not recognised (continued)

The amount of additional contributions included in the total employer contribution advised above is \$52,000.00. Council's expected contribution to the plan for the next annual reporting period is \$30,813.32.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2019 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	1,798.7	
Past Service Liabilities	1,784.2	100.8%
Vested Benefits	1,792.0	100.4%

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

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

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

Investment return	5.75% per annum
Salary inflation *	3.50% per annum
Increase in CPI	2.50% per annum

* Plus promotional increases

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other guarantees

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

2. Other liabilities

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Contingencies and other assets/liabilities not recognised (continued)

(i) Third party claims

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

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

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

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

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

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

ASSETS NOT RECOGNISED

(i) Land under roads

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

(ii) Infringement notices/fines

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Financial risk management

Risk management

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

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

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

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

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

\$ '000	Carrying value 2019	Carrying value 2018	Fair value 2019	Fair value 2018
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	3,190	4,220	3,190	4,220
Receivables	2,942	2,163	2,942	2,163
Total financial assets	6,132	6,383	6,132	6,383
Financial liabilities				
Payables	571	1,128	571	1,128
Loans/advances	455	623	455	623
Total financial liabilities	1,026	1,751	1,026	1,751

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings and held-to-maturity investments** – are based upon estimated future cash flows discounted by the current mkt interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified (i) **'at fair value through profit and loss'** or (ii) **'available-for-sale'** – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

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

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors.

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

The risks associated with the instruments held are:

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Financial risk management (continued)

- **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.

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

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

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

\$ '000	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2019				
Possible impact of a 1% movement in interest rates	3	3	(3)	(3)
2018				
Possible impact of a 1% movement in interest rates	4	4	(4)	(4)

(b) Credit risk

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

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

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

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

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

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

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2019						
Gross carrying amount	–	844	362	–	–	1,206
2018						
Gross carrying amount	–	689	311	–	–	1,000

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Financial risk management (continued)

Receivables - non-rates and annual charges

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

The loss allowance provision as at 30 June 2019 is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2019						
Gross carrying amount	111	435	141	3	1,776	2,466
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	10.50%	7.56%
ECL provision	–	–	–	–	290	290
2018						
Gross carrying amount	1,219	–	–	–	424	1,643
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ECL provision	–	–	–	–	210	210

(c) Liquidity risk

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

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

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

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

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

The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 - 5 Years	> 5 Years		
2019							
Trade/other payables	0.00%	4	567	–	–	571	571
Loans and advances	0.00%	–	165	290	–	455	455
Total financial liabilities		4	732	290	–	1,026	1,026
2018							
Trade/other payables	0.00%	3	1,125	–	–	1,128	1,128
Loans and advances	6.00%	–	623	–	–	623	623
Total financial liabilities		3	1,748	–	–	1,751	1,751

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Material budget variations

Council’s original financial budget for 18/19 was adopted by the Council on 26/06/2018 and is unaudited.

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

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

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

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

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance -----	
REVENUES				
Rates and annual charges	2,199	2,202	3	0% F
User charges and fees	2,493	6,966	4,473	179% F
Favourable variance is due to additional RMS contracted works for the period.				
Interest and investment revenue	75	110	35	47% F
Favourable variance due to the conservative budgeting for this item and a higher level of cash funds than expected.				
Other revenues	352	446	94	27% F
Favourable variance due to additional unbudgetted Commission and Agency Fees.				
Operating grants and contributions	11,254	10,436	(818)	(7)% U
Capital grants and contributions	4,175	2,106	(2,069)	(50)% U
Budgetted funding for the White Cliffs Water Treatment plant was not recieved in the 2019 financial year.				
Net gains from disposal of assets	–	13	13	∞ F
Council generally does not budget for the disposal of assets.				
Joint ventures and associates – net profits	–	1,461	1,461	∞ F
Council has not budgeted for any joint ventures.				
EXPENSES				
Employee benefits and on-costs	4,554	4,584	(30)	(1)% U
Borrowing costs	84	61	23	27% F
Favourable variance is due to interest expense being overstated in Council's budget.				
Materials and contracts	7,137	10,216	(3,079)	(43)% U
Unfavourable variance due to additional contracterd RMS works, not within the original budget.				
Depreciation and amortisation	3,582	3,661	(79)	(2)% U
Other expenses	873	1,408	(535)	(61)% U
Unfavourable variance due to additional electricity and street lighting costs.				

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Material budget variations (continued)

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance -----	
STATEMENT OF CASH FLOWS				
Net cash provided from (used in) operating activities	7,630	4,465	(3,165)	(41)% U
Unfavourable variance primarily due to the non-receipt of funding for the White Cliffs Water Treatment Plant				
Net cash provided from (used in) investing activities	(7,073)	(5,327)	1,746	(25)% F
Favourable variance due to minimal works undertaken on the White Cliffs Water Treatment Plant.				
Net cash provided from (used in) financing activities	(99)	(168)	(69)	70% U

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Fair Value Measurement

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

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

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

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

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

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

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

(1) Assets and liabilities that have been measured and recognised at fair values

		Fair value measurement hierarchy				
	Notes	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
2019						
Recurring fair value measurements						
Infrastructure, property, plant and equipment						
	9(a)					
Plant and equipment		30/06/19	–	1,005	–	1,005
Operational land		30/06/18	–	458	–	458
Community and crown land		30/06/18	–	–	523	523
Buildings		30/06/18	–	12,672	–	12,672
Other structures		30/06/19	–	–	2,165	2,165
Roads, bridges and footpaths		30/06/15	–	–	98,266	98,266
Bulk earthworks		30/06/15	–	–	24,235	24,235
Stormwater drainage		30/06/19	–	–	719	719
Water supply network		30/06/17	–	–	24,541	24,541
Sewerage network		30/06/17	–	–	3,939	3,939
Total infrastructure, property, plant and equipment			–	14,135	154,388	168,523

		Fair value measurement hierarchy				
	Notes	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
2018						
Recurring fair value measurements						
Infrastructure, property, plant and equipment						
	9(a)					
Plant and equipment		30/06/18	–	881	–	881
Operational land		30/06/18	–	458	–	458
Community and crown land		30/06/18	–	–	523	523
Buildings		30/06/18	–	13,056	–	13,056
Other structures		30/06/14	–	–	4,604	4,604

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Fair Value Measurement (continued)

2018	Notes	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	Total
Roads, bridges and footpaths		30/06/15	–	–	94,854	94,854
Bulk earthworks		30/06/15	–	–	24,234	24,234
Stormwater drainage		30/06/09	–	–	977	977
Water supply network		30/06/17	–	–	24,814	24,814
Sewerage network		30/06/17	–	–	3,930	3,930
Total infrastructure, property, plant and equipment			–	14,395	153,936	168,331

Note that capital WIP is not included above since it is carried at cost.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Fair Value Measurement (continued)

(2) Valuation techniques used to derive level 2 and level 3 fair values

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

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

Infrastructure, property, plant and equipment (IPP&E)

Stormwater drainage

The Stormwater Drainage asset class consists of Council's pits and Culverts. AssetVal Pty Ltd completed the valuation of these assets in 2019. The valuation methodology adopted was based on current replacement cost of the asset.

Replacement costs (unit rates) and useful lives for Stormwater Drainage assets were determined through professional judgement on behalf of AssetVal Pty Ltd, which incorporated standard unit rates applied to the dimensions of the asset and considered environmental factors based on asset location. Other significant inputs considered in the valuation of these assets are asset condition, remaining useful life, and pattern of consumption.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Other structure

Council's other structure assets comprise of fences, flagpoles, monuments and the like.

AssetVal Pty Ltd completed the valuation of these assets in 2019.

Replacement costs (unit rate) and useful lives of Council's other structure assets were determined through professional judgement on behalf of AssetVal Pty Ltd, which incorporated standard unit rates applied to the dimensions of the asset and considered environmental factors based on the assets location. Other significant inputs considered in the valuation of these assets are asset condition, remaining useful life and pattern of consumption.

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Buildings

Council engaged AssetVal Pty Ltd to value all buildings and shelters in 2018. The valuation methodology adopted was based on current replacement cost of the asset.

The valuation aspects are generally, but not limited to the location, size, condition, style and utility of the asset. Replacement cost, asset condition, remaining useful life and building components are some of the inputs used in fair value determination. Since most of these inputs require judgement and are unobservable, the asset class has been classified as Level 3. Valuation techniques remained the same for this reporting period.

Roads, bridges, footpaths and bulk earthworks

Council's roads & Bridges are componentised into the pavement, surface and formation and further separated into segments for inspection and valuation.

The valuation of assets was completed by APV Valuers in June 2015.

The current replacement cost approach was adopted to value Council's assets. The replacement costs (based on unit rates), useful lives and conditions were determined by technical information provided by Council's asset planners and professional judgement on behalf of APV.

Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, and components.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Fair Value Measurement (continued)

This asset class is categorised as Level 3 as some of the above-mentioned inputs used in the valuation of these assets require significant professional judgement and are therefore unobservable. Valuation techniques remained the same for this reporting period.

Tip remediation

Council operates a landfilling operation as well as a range of waste services, including recycled and reclaimed products. It has been recognised that there will be significant costs associated with the closure and post closure management of the landfill site.

Closure of the landfill will involve a wide range of activities including preparation of a Landfill Closure and Management Plan, final capping of the landfill waste and site re-vegetation, decommissioning and removing infrastructure and equipment that will not be required post-closure, and fencing sensitive infrastructure.

The key unobservable inputs are the discount rate, cost escalation rate, actual timing of costs and future environmental management requirements. There has been no change to the valuation process during the reporting period.

Water supply network

This asset category includes:

Dams & Weirs, Mains, Reservoirs and treatment plants.

The valuation of assets was completed by Brearly & Hansen Valuers in June 2017.

The current replacement cost approach was adopted to value Council's assets. The replacement costs (based on unit rates), useful lives and conditions were determined by technical information provided by Council's asset planners and professional judgement on behalf of APV.

Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, and components. Valuation techniques remained the same for this reporting period.

Sewerage network

This asset category includes:

Mains, Pumping stations and sewerage ponds.

The valuation of assets was completed by Brearly & Hansen Valuers in June 2017.

The current replacement cost approach was adopted to value Council's assets. The replacement costs (based on unit rates), useful lives and conditions were determined by technical information provided by Council's asset planners and professional judgement on behalf of APV.

Some of the other significant inputs considered in the valuation of these assets are remaining useful life, pattern of consumption, dimensions, and components. Valuation techniques remained the same for this reporting period.

Community land

Assets within the "Community Land" class are:

- Council owned land, and
- Care Control Management land [Crown] of which Council derives current and future economic benefits arising from the use of the land asset.

Council's community land is valued on the Unimproved Capital Value (UCV), provided by the Valuer General 01/07/2016.

Currently all Council assets in this asset class are based on UCV, however, should Council have an asset in future for which an UCV is not provided, the replacement cost will be used. Replacement cost will be based on average unit rates for similar properties, land use, dimensions, land size and shape, which are not considered observable based on market evidence, therefore, placing the whole asset class in Level 3. Valuation techniques remained the same for this reporting period.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Fair Value Measurement (continued)

Operational land

Council's operational land includes all of Council's land classified as operational land under Local Government Act 1993.

Council's community land is valued on the Unimproved Capital Value (UCV), provided by the Valuer General 01/07/2016.

Currently all Council assets in this asset class are based on a modelled market based valuation process, however, should Council have an asset in future for which this valuation process is not available, the replacement cost will be used.

Replacement cost will be based on average unit rates for similar properties, land use, dimensions, land size and shape, which are not considered observable based on market evidence, therefore, placing the whole asset class in Level 3.

Valuation techniques remained the same for this reporting period.

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

a. The following tables present the changes in level 3 fair value asset classes.

\$ '000	Crown / Community land	Other structures	Roads, bridges, footpaths	Bulk earthworks	Stormwater drainage
2018					
Opening balance	523	4,424	94,624	24,235	994
Depreciation and impairment	–	(236)	(2,077)	–	(17)
Other movement (WIP transfers)	–	416	2,307	–	–
Closing balance	523	4,604	94,854	24,235	977
2019					
Opening balance	523	4,604	94,854	24,235	977
Depreciation and impairment	–	(230)	(1,663)	–	(25)
Other movement (WIP transfers)	–	18	5,075	–	–
Other movement (Asset revaluation)	–	(2,227)	–	–	(233)
Closing balance	523	2,165	98,266	24,235	719

\$ '000	Water supply network	Sewerage network	Total
2018			
Opening balance	25,442	4,016	154,258
Depreciation and impairment	(628)	(86)	(3,044)
Other movement (WIP transfers)	–	–	2,723
Closing balance	24,814	3,930	153,937
2019			
Opening balance	24,814	3,930	153,937
Depreciation and impairment	(628)	(86)	(2,632)
Other movement (WIP transfers)	654	–	5,747
Other movement (Asset revaluation)	701	95	(1,664)
Closing balance	25,541	3,939	155,388

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Fair Value Measurement (continued)

\$ '000	Fair value (30/6/19)	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment			
Other structures	2,165	Current replacement cost	Replacement cost Asset condition rating Remaining useful life
Roads, bridges, footpaths and bulk earthworks	122,501	Current replacement cost	Replacement cost Asset condition rating Remaining useful life
Stormwater drainage	719	Current replacement cost	Replacement cost Asset condition rating Remaining useful life
Water supply network	25,541	Current replacement cost	Replacement cost Asset condition rating Remaining useful life
Sewerage network	3,939	Current replacement cost	Replacement cost Asset condition rating Remaining useful life
Community Land	523	Current replacement cost	Replacement cost Asset condition rating

(4) Highest and best use

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

Notes to the Financial Statements
for the year ended 30 June 2019

Note 20. Related Party Transactions

Key management personnel

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

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

\$ '000	2019	2018
Compensation:		
Short-term benefits	505	640
Post-employment benefits	46	–
Other long-term benefits	8	50
Termination benefits	–	5
Total	559	695

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Financial result and financial position by fund

\$ '000	General ¹ 2019	Water 2019	Sewer 2019
Income Statement by fund			
Income from continuing operations			
Rates and annual charges	1,380	612	210
User charges and fees	6,622	344	–
Interest and investment revenue	57	46	7
Other revenues	446	–	–
Grants and contributions provided for operating purposes	9,509	927	–
Grants and contributions provided for capital purposes	2,106	–	–
Other income			
Net gains from disposal of assets	13	–	–
Share of interests in joint ventures and associates using the equity method	1,461	–	–
Total income from continuing operations	21,594	1,929	217
Expenses from continuing operations			
Employee benefits and on-costs	4,584	–	–
Borrowing costs	61	–	–
Materials and contracts	9,127	909	180
Depreciation and amortisation	2,947	628	86
Other expenses	1,408	–	–
Total expenses from continuing operations	18,127	1,537	266
Operating result from continuing operations	3,467	392	(49)
Net operating result for the year	3,467	392	(49)
Net operating result attributable to each council fund	3,467	392	(49)
Net operating result for the year before grants and contributions provided for capital purposes	1,361	392	(49)

NB. All amounts disclosed above are gross – that is, they include internal charges and recoveries made between the funds.

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

Statement of Financial Position by fund

ASSETS**Current assets**

Cash and cash equivalents	1,434	1,329	427
Receivables	1,693	1,102	147
Inventories	517	–	–
Total current assets	3,644	2,431	574

Non-current assets

Infrastructure, property, plant and equipment	142,733	25,622	3,940
Investments accounted for using the equity method	1,461	–	–
Total non-current assets	144,194	25,622	3,940

TOTAL ASSETS

147,838	28,053	4,514
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LIABILITIES

continued on next page ...

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Financial result and financial position by fund (continued)

\$ '000	General ¹ 2019	Water 2019	Sewer 2019
Current liabilities			
Payables	571	–	–
Income received in advance	88	–	–
Borrowings	165	–	–
Provisions	990	–	–
Total current liabilities	1,814	–	–
Non-current liabilities			
Borrowings	290	–	–
Provisions	785	–	–
Total non-current liabilities	1,075	–	–
TOTAL LIABILITIES	2,889	–	–
Net assets	144,949	28,053	4,514
EQUITY			
Accumulated surplus	101,623	11,532	1,657
Revaluation reserves	43,326	16,521	2,857
Council equity interest	144,949	28,053	4,514
Total equity	144,949	28,053	4,514

NB. All amounts disclosed above are gross – that is, they include internal charges and recoveries made between the funds. Assets and liabilities shown in the water and sewer columns are restricted for use for these activities.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2019	Indicator 2019	Prior period 2018	Benchmark
1. Operating performance ratio				
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	230			
Total continuing operating revenue excluding capital grants and contributions ¹	20,160	1.14%	0.03%	>0.00%
2. Own source operating revenue ratio				
Total continuing operating revenue excluding all grants and contributions ¹	9,704			
Total continuing operating revenue ¹	22,266	43.58%	52.03%	>60.00%
3. Unrestricted current ratio				
Current assets less all external restrictions	3,250			
Current liabilities less specific purpose liabilities	1,109	2.93x	1.80x	>1.50x
4. Debt service cover ratio				
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	3,952			
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	229	17.26x	20.80x	>2.00x
5. Rates, annual charges, interest and extra charges outstanding percentage				
Rates, annual and extra charges outstanding	1,121			
Rates, annual and extra charges collectible	3,376	33.20%	36.34%	<10.00%
6. Cash expense cover ratio				
Current year's cash and cash equivalents plus all term deposits	3,190			
Monthly payments from cash flow of operating and financing activities	1,554	2.05 mths	2.46 mths	>3.00 mths

(1) Excludes fair value adjustments, reversal of revaluation decrements, net gain on sale of assets, and net loss of interests in joint ventures and associates.

(2) Excludes impairment/revaluation decrements, net loss on sale of assets, and net loss on share of interests in joint ventures and associates

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22(b). Statement of performance measures – by fund

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2019	2018	2019	2018	2019	2018	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(0.63)%	2.59%	20.32%	(57.05)%	(22.58)%	3.46%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions ¹	42.17%	50.56%	51.94%	87.08%	100.00%	38.29%	>60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	2.93x	1.80x	∞	∞	∞	∞	>1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	12.64x	19.90x	∞	∞	∞	∞	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates, annual charges, interest and extra charges outstanding percentage							
Rates, annual and extra charges outstanding	(0.70)%	4.32%	162.09%	161.16%	70.00%	73.63%	<10.00%
Rates, annual and extra charges collectible							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	0.98	1.62	17.54	16.33	28.47	12.46	>3.00
Payments from cash flow of operating and financing activities	mths	mths	mths	mths	mths	mths	mths

(1) - (2) Refer to Notes at Note 28a above.

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

Central Darling Shire Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 23. Council information and contact details

Principal place of business:

21 Reid Street

Wilcannia NSW 2836

Contact details

Mailing Address:

PO Box 165

Wilcannia NSW 2836

Opening hours:

9:00am - 5:00pm

Monday to Friday

Telephone: 08 8083 8900

Facsimile: 08 8091 5994

Internet: www.centraldarling.nsw.gov.au

Email: council@centraldring.nsw.gov.au

Officers

General Manager

Greg Hill

Responsible Accounting Officer

Jacob Philp

Public Officer

Jacob philp

Auditors

Audit Office of NSW

Level 19 Tower 2 Darling Park

201 Sussex St

Sydney NSW 2000

Other information

ABN: 65 061 502 429



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Central Darling Shire Council

To the Administrator of the Central Darling Shire Council

Opinion

I have audited the accompanying financial statements of Central Darling Shire Council (the Council), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

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 presented, 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 2019, 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' (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 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Administrator is 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 Administrator's Responsibilities for the Financial Statements

The Administrator is 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 Administrator 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 Administrator is 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 except where the Council will be dissolved or amalgamated by an Act of Parliament, or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:


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

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

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

My opinion does not 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 18 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in black ink, appearing to read "David Nolan", with a long horizontal flourish extending to the right.

David Nolan
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

28 November 2019
SYDNEY



Robert Stewart
Administrator
Central Darling Shire Council
PO Box 165
WILCANNIA NSW 2836

Contact: David Nolan
Phone no: 02 9275 7377
Our ref: D1928444/1711

28 November 2019

Dear Administrator

**Report on the Conduct of the Audit
for the year ended 30 June 2019
Central Darling Shire Council**

I have audited the general purpose financial statements (GPFS) of the Central Darling Shire Council (the Council) for the year ended 30 June 2019 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 2019 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

SIGNIFICANT AUDIT ISSUES AND OBSERVATIONS

Going concern

The financial statements for the year ended 30 June 2019 have been prepared on the going concern basis. Management believe Council is a going concern as supported by its forecasts of positive net cash flows for future years in its Long Term Financial Plan. Council received Ministerial approval under section 410 of the *Local Government Act 1993*, to allow Council to continue utilising restricted cash reserves to cover operational shortfalls. This is in place until 30 June 2020 at which time any such outstanding restricted funds must be restored.

For the year ended 30 June 2019, I agree with management's preparation of the financial statements on a going concern basis. I will continue to monitor the appropriateness of preparing future year's financial statements on a going concern basis.

INCOME STATEMENT

Operating result

	2019 \$m	2018 \$m	Variance %
Rates and annual charges revenue	2.20	2.03	↑ 8.4
Grants and contributions revenue	12.54	11.25	↑ 11.5
Operating result for the year	3.81	1.27	↑ 200
Net operating result before capital grants and contributions	1.70	0.06	↑ 2733

Council's operating result (\$3.81 million including the effect of depreciation and amortisation expense of \$3.66 million) was \$2.54 million higher than the 2017–18 result. This was mainly due recognition of Council's share of the net assets of the Far South West Joint Organisation (FSWJO) of \$1.46 million, and an increase in grants and contributions of \$1.29 million.

The net operating result before capital grants and contributions (\$1.7 million) was \$1.64 million higher than the 2017–18 result. This was primarily due to the recognition of Council's share of the net assets of the FSWJO noted above.

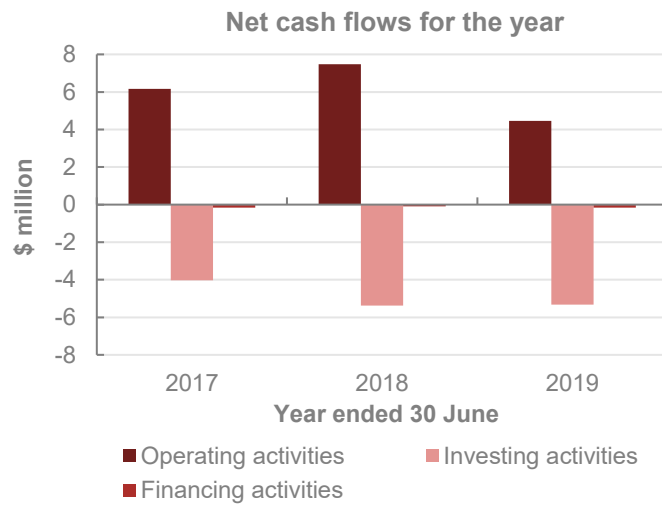
Rates and annual charges revenue (\$2.2 million) increased by \$169,000 (8.4 per cent) in 2018–2019 due to an increase in annual charges for services.

Grants and contributions revenue (\$12.54 million) increased by \$1.29 million (11.5 per cent) in 2018–2019 due to:

- Increased financial assistance grants of \$281,000
- An increase of \$895,000 in funding for various capital projects.

STATEMENT OF CASH FLOWS

- The Statement of Cash Flows illustrates the flow of cash and cash equivalents moving in and out of Council during the year and reveals that cash decreased by \$1 million to \$3.2 million at the close of the year.



FINANCIAL POSITION

Cash and investments

Cash and investments	2019	2018	Commentary
	\$m	\$m	
External restrictions	2.2	1.7	• External restrictions include unspent specific purpose grants and domestic waste management charges, and water and sewerage funds
Internal restrictions	-	-	
Unrestricted	1	2.5	• Council has not set aside any internally restricted funds
Cash and investments	3.2	4.2	• Unrestricted balances provide liquidity for day-to-day operations.

Debt

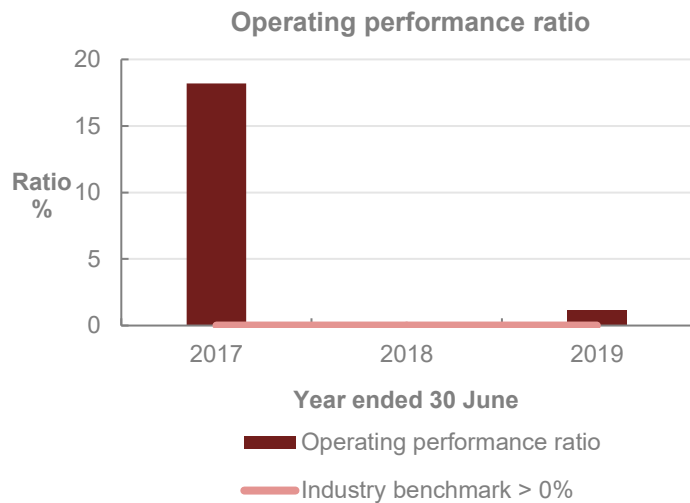
After repaying principal and interest of \$229,000, total debt as at 30 June 2019 was \$455,000 (2018: \$623,000).

PERFORMANCE

Operating performance ratio

- Council's operating performance indicator of 1.14 per cent in 2018–19 (0.03 per cent in 2017–18) met the industry benchmark.
- The improvement is due to the increased operating result before capital items.

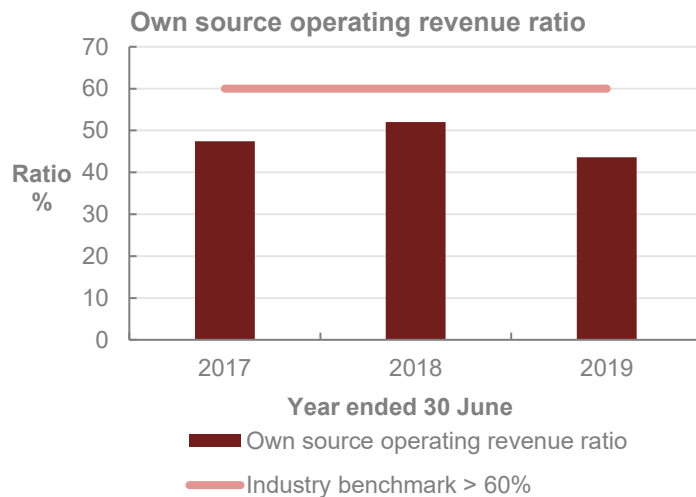
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the former Office of Local Government (OLG) is greater than zero per cent.



Own source operating revenue ratio

- Council's own source operating revenue ratio of 43.6 per cent in 2018–19 (52 per cent in 2017–18) failed to meet the industry benchmark.
- This indicator fluctuates with movements in grants and contributions.

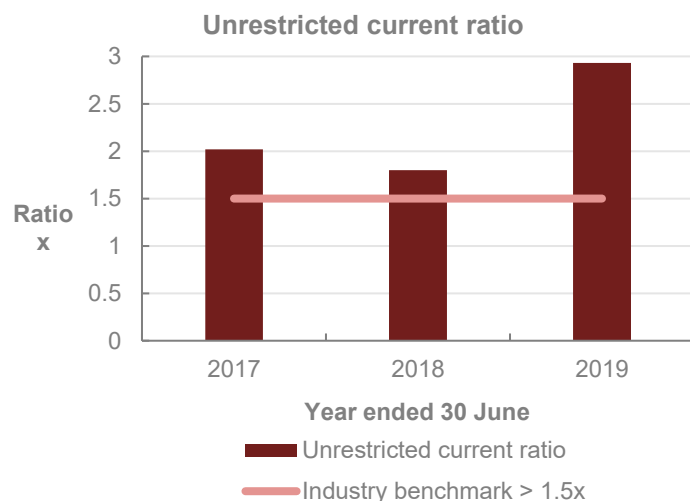
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by the former OLG is greater than 60 per cent.



Unrestricted current ratio

- This ratio indicated that Council had 2.9 times of unrestricted assets available to service every one dollar of its unrestricted current liabilities.
- Council's unrestricted current ratio increased to 2.9 as at 30 June 2019 (1.8 for 2018) and exceeded the industry benchmark.

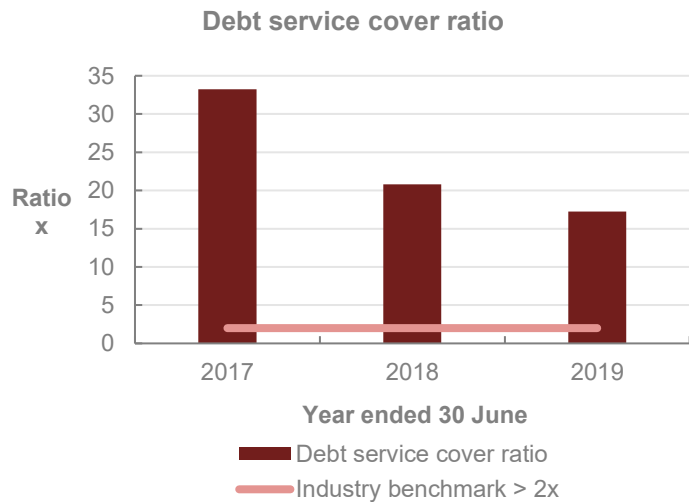
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by the former OLG is greater than 1.5 times.



Debt service cover ratio

- The debt service cover ratio for 2018–19 was 17.3 (20.1 in 2017–18) which is above the industry benchmark.

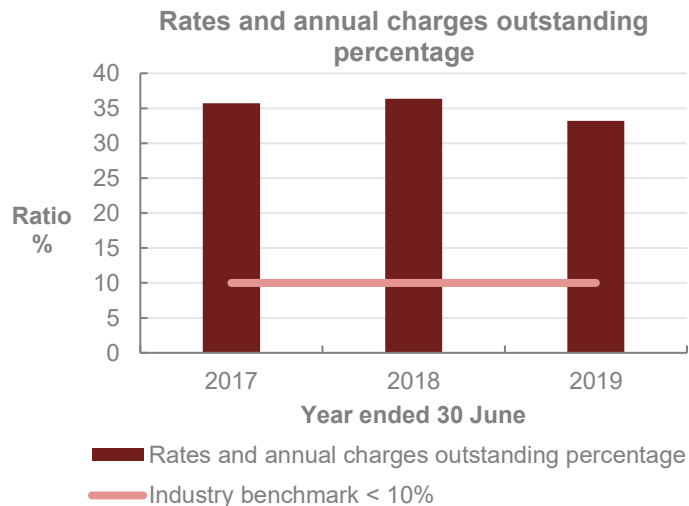
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by the former OLG is greater than two times.



Rates and annual charges outstanding percentage

- Council's indicator of 33.2 per cent as at 30 June 2019 (36.3 per cent as at 30 June 2018) failed to meet the benchmark.

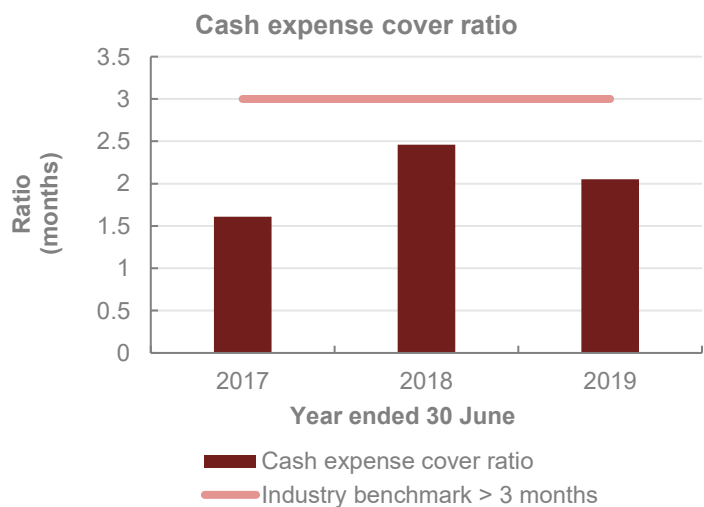
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by the former OLG is less than 10 per cent for regional and rural councils.



Cash expense cover ratio

- Council's cash expense cover ratio of 2.1 months for 2018–19 (2.5 months for 2017–18) exceeded the benchmark.

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 the former OLG is greater than three months.



Infrastructure, property, plant and equipment renewals

- Council's asset renewal additions for the year were \$5.1 million compared \$5.4 million for the prior year
- The level of asset renewals during the year represented 138 percent of the total depreciation expense (\$3.7 million) for the year.

OTHER MATTERS

New accounting standards implemented

Application period	Overview
AASB 9 'Financial Instruments' and revised AASB 7 'Financial Instruments: Disclosures'	
For the year ended 30 June 2019	<p>AASB 9 replaces AASB 139 'Financial Instruments: Recognition and Measurement' and changes the way financial instruments are treated for financial reporting.</p> <p>Key changes include:</p> <ul style="list-style-type: none">• a simplified model for classifying and measuring financial assets• a new method for calculating impairment• a new type of hedge accounting that more closely aligns with risk management. <p>The revised AASB 7 includes new disclosures as a result of AASB 9.</p> <p>The impact of adopting AASB 9 is disclosed in Notes 7 and 12.</p>

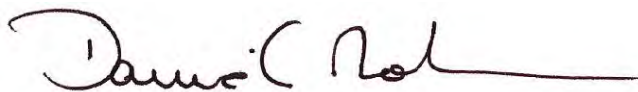
Legislative compliance

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.



David Nolan
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

cc: Greg Hill, General Manager
Jim Betts, Secretary of the Department of Planning, Industry and Environment

Central Darling Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2019

Special Purpose Financial Statements

for the year ended 30 June 2019

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

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 2019

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 23 October 2019.



Robert Stewart
Administrator
23 October 2019



Greg Hill
General Manager
23 October 2019



Jacob Philp
Responsible Accounting Officer
23 October 2019

Income Statement – Water Supply Business Activity

for the year ended 30 June 2019

\$ '000	2019	2018
Income from continuing operations		
Access charges	612	533
User charges	344	392
Interest	46	39
Grants and contributions provided for non-capital purposes	927	–
Total income from continuing operations	1,929	964
Expenses from continuing operations		
Materials and contracts	909	886
Depreciation, amortisation and impairment	628	628
Total expenses from continuing operations	1,537	1,514
Surplus (deficit) from continuing operations before capital amounts	392	(550)
Grants and contributions provided for capital purposes	–	143
Surplus (deficit) from continuing operations after capital amounts	392	(407)
Surplus (deficit) from all operations before tax	392	(407)
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(108)	–
SURPLUS (DEFICIT) AFTER TAX	284	(407)
Plus accumulated surplus	11,140	11,547
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	108	–
Closing accumulated surplus	11,532	11,140
Return on capital %	1.5%	(2.2)%
Subsidy from Council	–	1,205
Calculation of dividend payable:		
Surplus (deficit) after tax	284	(407)
Less: capital grants and contributions (excluding developer contributions)	–	(143)
Surplus for dividend calculation purposes	284	–
Potential dividend calculated from surplus	142	–

Income Statement – Sewerage Business Activity

for the year ended 30 June 2019

\$ '000	2019	2018
Income from continuing operations		
Access charges	210	182
Interest	7	6
Grants and contributions provided for non-capital purposes	–	303
Total income from continuing operations	217	491
Expenses from continuing operations		
Materials and contracts	180	388
Depreciation, amortisation and impairment	86	86
Total expenses from continuing operations	266	474
Surplus (deficit) from continuing operations before capital amounts	(49)	17
Surplus (deficit) from continuing operations after capital amounts	(49)	17
Surplus (deficit) from all operations before tax	(49)	17
Less: corporate taxation equivalent (27.5%) [based on result before capital]	–	(5)
SURPLUS (DEFICIT) AFTER TAX	(49)	12
Plus accumulated surplus	1,706	1,689
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	–	5
Closing accumulated surplus	1,657	1,706
Return on capital %	(1.2)%	0.4%
Subsidy from Council	101	86
Calculation of dividend payable:		
Surplus (deficit) after tax	(49)	12
Surplus for dividend calculation purposes	–	12
Potential dividend calculated from surplus	–	6

Statement of Financial Position – Water Supply Business Activity

as at 30 June 2019

\$ '000	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	1,329	1,206
Receivables	1,102	859
Total current assets	2,431	2,065
Non-current assets		
Infrastructure, property, plant and equipment	25,622	24,895
Total non-current assets	25,622	24,895
TOTAL ASSETS	28,053	26,960
NET ASSETS	28,053	26,960
EQUITY		
Accumulated surplus	11,532	11,140
Revaluation reserves	16,521	15,820
TOTAL EQUITY	28,053	26,960

Statement of Financial Position – Sewerage Business Activity

as at 30 June 2019

\$ '000	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	427	403
Receivables	147	134
Total current assets	<u>574</u>	<u>537</u>
Non-current assets		
Infrastructure, property, plant and equipment	3,940	3,930
Total non-current assets	<u>3,940</u>	<u>3,930</u>
TOTAL ASSETS	<u>4,514</u>	<u>4,467</u>
<u>NET ASSETS</u>	<u>4,514</u>	<u>4,467</u>
EQUITY		
Accumulated surplus	1,657	1,706
Revaluation reserves	2,857	2,761
<u>TOTAL EQUITY</u>	<u>4,514</u>	<u>4,467</u>

Central Darling Shire Council

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2019

Note 1. Significant Accounting Policies

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

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

The figures presented in these Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the Local Government Act 1993 (NSW), the *Local Government (General) Regulation 2005*, and the Local Government Code of Accounting Practice and Financial Reporting.

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

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

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The *Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

Declared business activities

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

Category 1

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

Nil

Category 2

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

a. Combined Water Supply

The Central Darling Shire Water Supply comprises the operations and assets of Council's Water Supply System which services the towns of Wilcannia, Ivanhoe and White Cliffs.

b. Sewerage Services

The Central Darling Shire Sewerage Service comprises the whole of the operations and assets of Council's Sewerage Reticulation and Treatment System servicing the township of Wilcannia.

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2019

Note 1. Significant Accounting Policies (continued)

Monetary amounts

Amounts shown in the financial statements are in Australian dollars and rounded to the nearest one thousand dollars.

(i) Taxation equivalent charges

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

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

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

Notional rate applied (%)

Corporate income tax rate – 27.5%

Land tax – the first \$692,000 of combined land values attracts 0%. For the combined land values in excess of \$692,001 up to \$4,231,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$4,231,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$850,000.

In accordance with the Department of Industry (DoI) – Water guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the DoI – Water guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

Achievement of substantial compliance to the DoI – Water guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 27.5%.

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

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

The rate applied of 27.5% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

A calculation of the equivalent rates and charges payable on all category 1 businesses has been applied to all land assets owned or exclusively used by the business activity.

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2019

Note 1. Significant Accounting Policies (continued)

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that council business activities face 'true' commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

(ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

(iii) Return on investments (rate of return)

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

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 1.32% at 30/6/19.

(iv) Dividends

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

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

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

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2019 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
Central Darling Shire Council

To the Administrator of the Central Darling Shire Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Central Darling Shire Council's (the Council) declared business activities, which comprise the Income Statement of each declared business activity for the year ended 30 June 2019, the Statement of Financial Position of each declared business activity as at 30 June 2019, Note 1 Significant accounting policies for the business activities declared by Council, and the Statement by Councillors and Management.

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 2019, and its financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting – update number 27 (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' (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 Note 1 to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Administrator is 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 Administrator's Responsibilities for the Financial Statements

The Administrator is responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in Note 1 to the financial statements, are appropriate to meet the requirements in the LG Code. The Administrator's responsibility also includes such internal control as the Administrator 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 Administrator is 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, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does not provide assurance:

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

A handwritten signature in black ink, appearing to read "David Nolan", with a long horizontal flourish extending to the right.

David Nolan
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

28 November 2019
SYDNEY

Central Darling Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2019

Special Schedules

for the year ended 30 June 2019

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Permissible income for general rates

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Report on Infrastructure Assets - Values

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Permissible income for general rates

\$ '000		Calculation 2019/20	Calculation 2018/19
Notional general income calculation ¹			
Last year notional general income yield	a	813	797
Notional general income	c = a + b	813	797
Permissible income calculation			
Or rate peg percentage	e	2.70%	2.30%
Or plus rate peg amount	i = e x (c + g)	22	18
Sub-total	k = (c + g + h + i + j)	835	815
Plus (or minus) last year's carry forward total	l	3	2
Less valuation objections claimed in the previous year	m	-	(1)
Sub-total	n = (l + m)	3	1
Total permissible income	o = k + n	838	816
Less notional general income yield	p	835	813
Catch-up or (excess) result	q = o - p	3	3
Carry forward to next year ⁶	t = q + r + s	3	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.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT
Special Schedule - Permissible income for general rates
Central Darling Shire Council

To the Administrator of Central Darling Shire Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Central Darling Shire Council (the Council) for the year ending 30 June 2020.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting – update number 27 (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' (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 2019 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Administrator is 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 2019'.

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 Administrator's Responsibilities for the Schedule

The Administrator is responsible for the preparation of the Schedule in accordance with the LG Code. The Administrator's responsibility also includes such internal control as the Administrator 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 Administrator is 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, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

My opinion does not provide assurance:

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

A handwritten signature in black ink, appearing to read "David Nolan", with a long horizontal flourish extending to the right.

David Nolan
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

28 November 2019
SYDNEY

Report on Infrastructure Assets
as at 30 June 2019

Asset Class	Asset Category	Estimated cost		2018/19 Required maintenance ^a	2018/19 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
Buildings	Buildings	1,550	–	120	193	12,672	8,304	0.0%	0.0%	0.0%	0.0%	100.0%
	Buildings – non-specialised	310	–	180	24	–	3,000	0.0%	0.0%	0.0%	0.0%	100.0%
	Buildings – specialised	60	–	60	130	–	2,580	0.0%	0.0%	0.0%	0.0%	100.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Community Services	820	–	10	7	–	6,000	0.0%	0.0%	0.0%	0.0%	100.0%
	Council Housing	1,700	–	250	227	–	6,300	0.0%	0.0%	0.0%	0.0%	100.0%
	Water	280	–	10	14	–	3,600	0.0%	0.0%	0.0%	0.0%	100.0%
	Economic Activity	520	–	–	–	–	1,000	0.0%	0.0%	0.0%	0.0%	100.0%
	Transport	10	–	–	–	–	50	0.0%	0.0%	0.0%	0.0%	100.0%
	Amenities / Toilets	25	–	70	98	–	2,100	0.0%	0.0%	0.0%	0.0%	100.0%
	Sub-total	5,275	–	700	693	12,672	32,934	0.0%	0.0%	0.0%	0.0%	100.0%
Other structures	Other structures	–	–	–	–	2,165	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	–	–	–	–	2,165	–	0.0%	0.0%	0.0%	0.0%	100.0%
Roads	Sealed roads	600	–	400	132	63,012	64,045	0.0%	0.0%	0.0%	0.0%	100.0%
	Unsealed roads	5,478	–	3,200	2,755	23,624	50,565	0.0%	0.0%	0.0%	0.0%	100.0%
	Bridges	200	–	15	4	10,476	44,478	0.0%	0.0%	0.0%	0.0%	100.0%
	Footpaths	400	–	45	63	1,007	2,637	0.0%	0.0%	0.0%	0.0%	100.0%
	Other road assets	200	–	100	119	148	428	0.0%	0.0%	0.0%	0.0%	100.0%
	Bulk earthworks	–	–	–	–	24,234	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Kerb and Gutter	200	–	25	4	–	2,368	0.0%	0.0%	0.0%	0.0%	100.0%
	Aerodromes	200	–	180	81	–	8,139	0.0%	0.0%	0.0%	0.0%	100.0%
		Sub-total	7,278	–	3,965	3,158	122,501	172,660	0.0%	0.0%	0.0%	0.0%

Report on Infrastructure Assets - Values (continued)

as at 30 June 2019

Asset Class	Asset Category	Estimated cost				Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring assets agreed level of service set by Council	2018/19 Required maintenance ^a	2018/19 Actual maintenance			1	2	3	4	5
Water supply network	Water supply network	3,200	–	400	125	25,541	19,265	0.0%	0.0%	0.0%	0.0%	100.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Treatment Plants	5,500	–	500	513	–	10,500	0.0%	0.0%	0.0%	0.0%	100.0%
	Bores	30	–	30	16	–	869	0.0%	0.0%	0.0%	0.0%	100.0%
	Weirs, Storage Tanks, Dams	8,000	–	150	135	–	10,813	0.0%	0.0%	0.0%	0.0%	100.0%
	Pump Station	450	–	175	86	–	2,110	0.0%	0.0%	0.0%	0.0%	100.0%
	Sub-total		17,180	–	1,255	875	25,541	43,557	0.0%	0.0%	0.0%	0.0%
Sewerage network	Sewerage network	340	–	40	5	3,939	1,980	0.0%	0.0%	0.0%	0.0%	100.0%
	Other	160	–	125	86	–	548	0.0%	0.0%	0.0%	0.0%	100.0%
	Pumping Station	600	–	95	18	–	906	0.0%	0.0%	0.0%	0.0%	100.0%
	Treatment Plants	80	–	20	1	–	3,141	0.0%	0.0%	0.0%	0.0%	100.0%
	Sub-total		1,180	–	280	110	3,939	6,575	0.0%	0.0%	0.0%	0.0%
Stormwater drainage	Stormwater drainage	–	–	–	–	719	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Box Culverts	4	–	4	–	–	71	0.0%	0.0%	0.0%	0.0%	100.0%
	Pipes	8	–	5	2	–	2,930	0.0%	0.0%	0.0%	0.0%	100.0%
	Pits	5	–	5	2	–	104	0.0%	0.0%	0.0%	0.0%	100.0%
	Outlets	20	–	10	2	–	108	0.0%	0.0%	0.0%	0.0%	100.0%
	Gross Pollutant Traps	10	–	7	4	–	56	0.0%	0.0%	0.0%	0.0%	100.0%
	Sub-total		47	–	31	10	719	3,269	0.0%	0.0%	0.0%	0.0%
Open space / recreational assets	Swimming pools	550	–	550	380	–	3,800	0.0%	0.0%	0.0%	0.0%	100.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Recreation	300	–	150	237	–	2,100	0.0%	0.0%	0.0%	0.0%	100.0%
	Sub-total		850	–	700	617	–	5,900	0.0%	0.0%	0.0%	0.0%
Other infrastructure assets	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total		–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	100.0%
TOTAL - ALL ASSETS		31,810	–	6,931	5,463	167,537	264,895	0.0%	0.0%	0.0%	0.0%	100.0%

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

Report on Infrastructure Assets - Values (continued)

as at 30 June 2019

Infrastructure asset condition assessment 'key'

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

Report on Infrastructure Assets (continued)

as at 30 June 2019

Asset Class	Asset Category	Estimated cost		2018/19 Required maintenance ^a	2018/19 Actual maintenance	Net carrying amount	Click to Enter type of asset valuation (xxx)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
(b) Report on Infrastructure Assets - Values												
Buildings	Buildings	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Buildings – non-specialised	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Buildings – specialised	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	-	-	-	-	12,672	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	-	-	-	-	12,672	-	0.0%	0.0%	0.0%	0.0%	100.0%
Other structures	Other structures	-	-	-	-	2,165	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	-	-	-	-	2,165	-	0.0%	0.0%	0.0%	0.0%	100.0%
Roads	Sealed roads	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Unsealed roads	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Bridges	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Footpaths	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Other road assets	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Bulk earthworks	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	-	-	-	-	122,501	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	-	-	-	-	122,501	-	0.0%	0.0%	0.0%	0.0%	100.0%
Water supply network	Water supply network	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	-	-	-	-	25,541	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	-	-	-	-	25,541	-	0.0%	0.0%	0.0%	0.0%	100.0%
Sewerage network	Sewerage network	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	-	-	-	-	3,939	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	-	-	-	-	3,939	-	0.0%	0.0%	0.0%	0.0%	100.0%
Stormwater drainage	Stormwater drainage	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	-	-	-	-	719	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	-	-	-	-	719	-	0.0%	0.0%	0.0%	0.0%	100.0%

Report on Infrastructure Assets - Values (continued)

as at 30 June 2019

Asset Class	Asset Category	Estimated cost		2018/19 Required maintenance ^a	2018/19 Actual maintenance	Net carrying amount	Click to Enter type of asset valuation (xxx)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
Open space / recreational assets	Swimming pools	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	100.0%
Other infrastructure assets	Other	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	-	-	-	-	-	-	0.0%	0.0%	0.0%	0.0%	100.0%
TOTAL - ALL ASSETS		-	-	-	-	167,537	-	0.0%	0.0%	0.0%	0.0%	100.0%

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

Report on Infrastructure Assets (continued)

as at 30 June 2019

\$ '000	Amounts 2019	Indicator 2019	Prior period 2018	Benchmark
Infrastructure asset performance indicators (consolidated) *				
Buildings and infrastructure renewals ratio ¹				
Asset renewals ²	6,206	178.59%	96.58%	>=100.00%
Depreciation, amortisation and impairment	3,475			
Infrastructure backlog ratio ¹				
Estimated cost to bring assets to a satisfactory standard	31,810	18.99%	19.11%	<2.00%
Net carrying amount of infrastructure assets	167,537			
Asset maintenance ratio				
Actual asset maintenance	5,463	78.82%	82.33%	>100.00%
Required asset maintenance	6,931			
Cost to bring assets to agreed service level				
Estimated cost to bring assets to an agreed service level set by Council	-	-	-	
Gross replacement cost	264,895			

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

(1) Excludes Work In Progress (WIP)

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

Report on Infrastructure Assets (continued)
as at 30 June 2019

Buildings and infrastructure renewals ratio



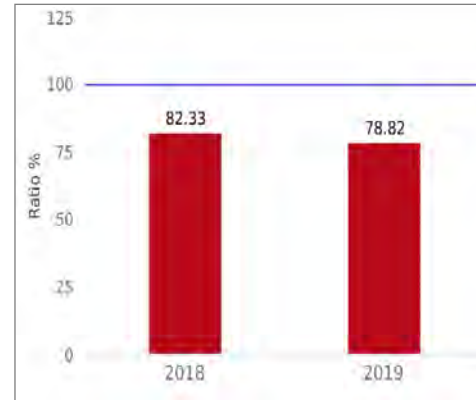
Buildings and infrastructure renewals ratio

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

Commentary on result	
18/19 ratio	178.59%

Benchmark: — $\geq 100.00\%$ ■ Ratio achieves benchmark
 Source of benchmark: Code of Accounting Practice and Financial Reporting #27 ■ Ratio is outside benchmark

Asset maintenance ratio



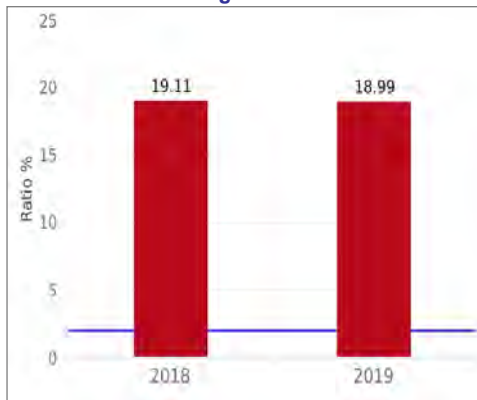
Asset maintenance ratio

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

Commentary on result	
18/19 ratio	78.82%

Benchmark: — $> 100.00\%$ ■ Ratio achieves benchmark
 Source of benchmark: Code of Accounting Practice and Financial Reporting #27 ■ Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

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

Commentary on result	
18/19 ratio	18.99%

Benchmark: — $< 2.00\%$ ■ Ratio achieves benchmark
 Source of benchmark: Code of Accounting Practice and Financial Reporting #27 ■ Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

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

Commentary on result	
18/19 ratio	0.00%

Report on Infrastructure Assets (continued)
as at 30 June 2019

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2019	2018	2019	2018	2019	2018	
Infrastructure asset performance indicators (by fund)							
Buildings and infrastructure renewals ratio ¹							
Asset renewals ²							
Depreciation, amortisation and impairment	224.77%	118.31%	–	–	–	–	>=100.00%
Infrastructure backlog ratio ¹							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	9.74%	9.77%	67.26%	69.24%	29.96%	30.03%	<2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	82.99%	87.45%	69.72%	63.11%	39.29%	69.64%	>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) Excludes Work In Progress (WIP)

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