



# **CENTRAL DARLING SHIRE COUNCIL**



# **ANNUAL REPORT 2020-2021**

# OUR SHIRE

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Central Darling Shire encompasses an area of more than 53,000 square kilometres covering an area about the size of Tasmania and 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 living in the towns of Ivanhoe, Menindee, Wilcannia and White Cliffs, the localities of Darnick, Mossgiel, Sunset Strip and Tilpa and surrounding pastoral areas.

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 per cent of the entire area.

Central Darling Shire is bounded by the Shires of Bourke, Cobar, Carrathool, Balranald and Wentworth and the Unincorporated Area with its closest major service centre some 200km away in Broken Hill.

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## OUR VISION

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

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## OUR MISSION

Realising 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
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# OUR ORGANISATION

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Central Darling Shire Council was constituted in 1953 under the Local Government Act. Located 950km west of Sydney, it encompasses a land mass of more than 53,000 square kilometres. The Administration Centre for Central Darling Shire is Wilcannia, with offices located in Ivanhoe and Menindee. White Cliffs, 98km north of Wilcannia, is serviced by the Wilcannia office.

Since 2014, Central Darling Shire Council has been under Administration. The current Administrator is Mr Robert (Bob) Stewart. Mr Stewart is a Ministerial Appointment and took up the role in January 2019.

## MANAGEMENT

Central Darling Shire Council works on three business divisions: Governance, headed by the General Manager; and Business Services and Shire Services, headed each by a Director.

Management Structure as at 30 June 2021

**General Manager** – Greg Hill

**Director Business Services** – Gordon Seeto commenced 7 June 2021. Jacob Philp until February 2021; Carolyn Upston (Acting) from October 2020 to April 2021.

**Director Shire Services** – Reece Wilson

## ORGANISATION

Central Darling Shire Council has a budgeted staff load of 61 full time equivalent with an actual staff load of 50 full time equivalent. Vacant positions sit across the organisation at a range of skill levels. Attracting staff to Central Darling Shire Council has always been challenging. Management continues to work on an recruitment marketing strategy in an attempt to attract suitably skilled applicants from outside the region.

Staff are located throughout the Shire and the increased availability of technology has seen an increase in remote worker appointments in specialist areas. This is primarily in Governance and Finance where positions are not dependent on front face interaction to complete roles.

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# OUR TOWNS

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## 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).



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## 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”.

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## 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.



# OUR TOWNS

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## Ivanhoe

Ivanhoe is a town situated on the Cobb Highway 180 kilometres south east of Wilcannia. 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.



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## 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 WeeWattah 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

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## 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. The Sunset Strip Progress Association is an active organisation focussing on economic and social development in the town. The Progress Association is currently working on a major tourism project, recognising the contribution of arts, culture and film to outback NSW .

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# FROM THE ADMINISTRATOR

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The challenges of the preceding 12 months have continued onto the 2020/21 year as we watched and made preparation for potential impact on our communities and further disruptions to our business activities due to COVID.

As I write this report, the struggles we face with COVID have been managed due to diligence in planning by management and staff and the work of the Local Emergency Management Committee. While the impact on Council activities of the August/September 2021 COVID outbreak will not be known until later in the financial year, and reported on in the subsequent Annual Report, the dedication, commitment and resourcefulness of our Central Darling Shire staff and management and the wider community needs to be noted here.



Looking to the future, Council commenced work on the new Community Strategic Plan with community workshops held in towns and villages throughout the year. Nearly 300 people attended the various workshops – a commendable effort for such a small area.

Our plans are in line with the Office of Local Government's Integrated Planning and Reporting Framework requirements and the documents are owned by the community for the community. They set the direction our communities wish to head in the future and will assist Council with its strategic and operational planning. The Community Strategic Plan will underpin individual plans for each town and village and will be complemented by an Advocacy Plan and a Disability Inclusion Action Plan. These Plans are designed to ensure all in our communities have equal access to services and information.

Despite the challenges we faced, we have moved forward with major infrastructure projects including the sealing of the Menindee-Pooncarie Road and the construction of new water treatment plants in White Cliffs, Ivanhoe and Menindee. Council approved the construction of a new multipurpose space in Ivanhoe, which will bring together Council and a variety of state agencies, providing a higher level of service to the people in the southern areas of the shire.

We continue to work with our partners on the development of the Wilcannia Weir, the Baaka Cultural Centre, improved telecommunications, the new Maari Maa Health Centre at Wilcannia and the Menindee Fish Hatchery. Statutory planning instruments to move these, and other key projects, forward have been amended to ensure they are able to go ahead.

# FROM THE ADMINISTRATOR

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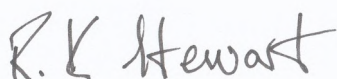
Council amended its Local Environment Plan (LEP) to update its heritage, amend the land use tables, and rezone some areas of land. We also adopted the Local Strategic Planning Statement. These activities have been vital to the ongoing sustainable future of the Central Darling Shire.

We continue to work with the Office of Local Government on the development of a sustainable model for the future governance of the shire and have advocated for the Office to engage with the community once they have finalised the various options. We have received a commitment from the Minister that this will occur.

We have continued to advocate to government on a range of issues including Water Policy and Reform, Road conditions, Improved Telecommunications, Service delivery to the Far West, and ongoing funding to support the Far West Joint Organisation of Councils.

It has been a challenging year for the Shire, and we have more challenges ahead. But I know that, by working together, we can forge a bright future.

I commend this Annual Report to you.



**Bob Stewart**  
Administrator  
Central Darling Shire Council

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Sealing Pooncarie Road, between Menindee and the Wentworth Shire boundary, is an important step towards opening up Central Darling Shire to new tourism and economic development opportunities.

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# FROM THE GENERAL MANAGER

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Central Darling Shire Council has had a constructive year, with a number of workforce, infrastructure and social plans nearing completion. This year's Annual Report aims to highlight some of the positive work being done by Council in the areas of finance, governance and workforce planning.

As a remote and isolated Council, some 1000km from Sydney, the ability to attract qualified specialist staff continues to be a challenge. Geographic isolation, coupled with limited housing availability has led to Council utilising the modern technology available to it and employing specialist staff as remote workers. This has proved a successful way of doing Council business, with essential skills becoming a standard part of Council's workforce.



Over the past 12 months, Council has worked towards consolidating its financial position, including the implementation of sound reporting procedures. Efficiencies in both accounting and reporting have given Council a better understanding of its short term and long term position. Our reliance on government grants continues, due to the extremely low rate base available, but with the implementation of our new systems, Council has a greater insight into where our limited financial resources can be best expended.

Our governance systems have also undertaken a major overhaul, and with the implementation of an electronic document management system, as well as outcome tracking and reporting, we are much better placed to meet expectations of our community as well as our statutory obligations.

Central Darling Shire Council is a member of the Far West (South) Joint Organisation (JO), a body formed through the NSW Government's Local Government Reform program. This association has become a valuable resource to Council, providing opportunities for regional strategic programming with our neighbour Council and access to resources on an ad hoc basis. With the formation of the JO came funding for special projects that Council wouldn't ordinarily be in a position to finance, focussing on tourism, economic development and public infrastructure.

The Audit, Risk and Improvement Committee (ARIC) has met regularly which has ensured Council is able to meet its obligations to both statutory requirements and the community. The ARIC comprises four independent members to advise and recommend risk management strategies. The independence of the committee has ensured Council is better able to meet its objectives with a systematic and disciplined approach to risk management and governance.

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# FROM THE GENERAL MANAGER

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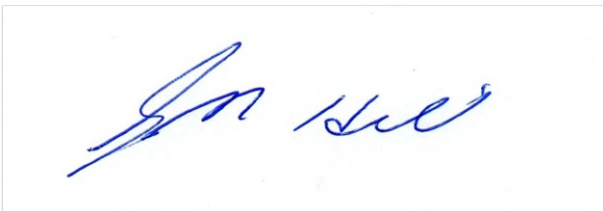
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Over the past 12 months, Council initiated planning for the development of a new Community Strategic Plan, in line with its Integrated Planning and Reporting (IP&R) Framework obligations. A consultant experienced in working with rural and remote communities conducted a number of workshops in all our towns, and work on this project continues. The IP&R Framework requires the Community Strategic Plan – a document which is developed by the community and sets the 10 year framework for Council service delivery, a four year delivery plan, ordinarily timetabled to coincide with Council elections, a one year operational plan which is designed to give Council its short term guidance to manage service delivery and a Disability Inclusion Action Plan, which ensures people of all abilities are able to access Council services.

Because of the unique diversity of our Shire, Council has also chosen to underpin those documents with Town and Village Plans – documents which will be unique to each town and village and give both the community and Council the direction for sustainability and growth. While the IP&R project has been delayed due to various travel restrictions, Council is working to have these important documents presented to the community and adopted by Council as soon as possible.

Council has continued its program of major works, including road maintenance through Road Maintenance Council Contracts with the Roads and Maritime Service, commencement of the works to seal Pooncarie Road, upgrades to public and tourist facilities with funding through the Far West (South) Joint Organisation and essential upgrades to our water treatment plants in Wilcannia, White Cliffs and Ivanhoe. These upgrades will ensure secure potable water supply to our communities into the future.

Central Darling Shire is looking towards a bright future. Our specialist skills have increased over the past 12 months, and with continued access to technology, we look forward to serving our communities well.



**Greg Hill**  
General Manager  
Central Darling Shire Council

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# STATUTORY REPORTING

Section 217 of the *Local Government (General) Regulation 2005* outlines the statutory reporting requirements of the annual report. During the reporting period, Central Darling Shire Council remained under Administration. All reference to Mayor and/or Councillors should be taken as Administrator.

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(1) For the purposes of section 428(4)(b) of the Act, an annual report of a council is to include the following information—

**(a) details (including the purpose) of overseas visits undertaken during the year by councillors, council staff or other persons while representing the council (including visits sponsored by other organisations)** There were no overseas visits undertaken during the reporting period.

*(a1) details of the total cost during the year of the payment of the expenses of, and the provision of facilities to, councillors in relation to their civic functions (as paid by the council, reimbursed to the councillor or reconciled with the councillor), including separate details on the total cost of each of the following—*

**(i) the provision during the year of dedicated office equipment allocated to councillors on a personal basis, such as laptop computers, mobile telephones and landline telephones and facsimile machines installed in councillors' homes (including equipment and line rental costs and internet access costs but not including call costs)** Computer and associated equipment purchased during the reporting period totalled \$2,477.10.

**(ii) telephone calls made by councillors, including calls made from mobile telephones provided by the council and from landline telephones and facsimile services installed in councillors' homes.** Phone calls are included in the mobile phone plan which totals \$460.80 for the financial year

**(iii) the attendance of councillors at conferences and seminars.** There were no expenses for conferences and seminars during the year.

**(iiia) the provision of induction training for councillors, supplementary induction training for mayors and professional development programs for mayors and other councillors.** There were no induction training supplementary induction training or professional development programs undertaken during the reporting period.

**(iv) other training of mayors and councillors and the provision of skill development for mayors and councillors.** There were no other training or skill development programs provided during the year.

**(v) interstate visits undertaken during the year by councillors while representing the council, including the cost of transport, the cost of accommodation and other out-of-pocket travelling expenses.** There were no expenses for interstate visits undertaken during the year.

**(vi) overseas visits undertaken during the year by councillors while representing the council, including the cost of transport, the cost of accommodation and other out-of-pocket travelling expenses.** There were no overseas visits undertaken during the reporting period.

**(vii) the expenses of any spouse, partner (whether of the same or the opposite sex) or other person who accompanied a councillor in the performance of his or her civic functions, being expenses payable in accordance with the Guidelines for the payment of expenses and the provision of facilities for Mayors and Councillors for Local Councils in NSW prepared by the Director-General from time to time.** There were no expenses for spouse or partner.

**(viii) expenses involved in the provision of care for a child of, or an immediate family member of, a councillor, to allow the councillor to undertake his or her civic functions.** There was no expense during the reporting period.

**Administrator's fees** \$133,058.12

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# STATUTORY REPORTING

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(a2) 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,

Contractor	Descr	Amount (GST Exc)
Wardle Builders	Supply and Install 3 new depot sheds	\$208,230
UniPlan Pty Ltd	Supply and Install 3 new Transportable Buildings	\$408,573
Vinidex Pty Ltd	Supply and Deliver 17km of Poly pipe and fittings	\$221,423
Isuzu Australia (Tracserv Dubbo)	Supply and Deliver 1 new Crane Truck	\$166,919
Kellogg Brown Root Pty Ltd	Pooncarie Rd Design Services	\$225,500
Wardle Builders	New Build – Ivanhoe MSO Building	\$547,800

(a3) a summary of the amounts incurred by the council during the year in relation to legal proceedings taken by or against the council (including amounts, costs and expenses paid or received by way of out of court settlements, other than those the terms of which are not to be disclosed) and a summary of the state of progress of each legal proceeding and (if it has been finalised) the result. There were no legal proceedings during the year

(a4) details or a summary (as required by section 67(3) of the Act) of resolutions made during that year under section 67 of the Act concerning work carried out on private land and details or a summary of such work if the cost of the work has been fully or partly subsidised by the council, together with a statement of the total amount by which the council has subsidised any such work during that year. There was no work carried out on private land during the reporting period.

(a5) the total amount contributed or otherwise granted under Section 356 of the Act. A total of \$10,868.88 was provided to community groups under Section 356

(a6) a statement of all external bodies that during that year exercised functions delegated by the council.

During the reporting period, Council reviewed its S355 Operations and Procedures, as well as the ongoing viability of external bodies who had exercised functions delegated by the Council. External bodies who have exercised delegated functions are:

- Darnick Hall Committee
  - White Cliffs Community Association
  - White Cliffs Hall Committee
  - Menindee Commons Committee
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# STATUTORY REPORTING

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**(a7) a statement of all corporations, partnerships, trusts, joint ventures, syndicates or other bodies (whether or not incorporated) in which the council (whether alone or in conjunction with other councils) held a controlling interest during that year.** There was no controlling interest held in any body during the reporting period.

**(a8) a statement of all corporations, partnerships, trusts, joint ventures, syndicates or other bodies (whether or not incorporated) in which the council participated during that year.** Central Darling Shire Council holds membership in the Far West (South) Joint Organisation and Regional Development Australia Far West. Other organisations Council participated to ensure service provision were:

- Ryde City Council
- NetWaste
- Western Division Councils of NSW
- Roads and Maritime Services
- TrainLink
- Australia Post
- Service NSW
- Orana Water Utilities Alliance
- Home Care
- Maari Ma Health Service

**(a9) a statement of the activities undertaken by the council during that year to implement its equal employment opportunity management plan.** 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 to. The EEO Management Plan is being reviewed as part of ongoing IP&R requirements.

**(b) a statement of the total remuneration comprised in the remuneration package of the general manager during the year that is to include the total of the following—**

- (i) the total value of the salary component of the package, \$177,339**
- (ii) the total amount of any bonus payments, performance payments or other payments made to the general manager that do not form part of the salary component of the general manager NIL**
- (iii) the total amount payable by the council by way of the employer's contribution or salary sacrifice to any superannuation scheme to which the general manager may be a contributor \$16,874**
- (iv) the total value of any non-cash benefits for which the general manager may elect under the package \$30,000**
- (v) the total amount payable by the council by way of fringe benefits tax for any such non-cash benefits NIL**

**(c) a statement of the total remuneration comprised in the remuneration packages of all senior staff members (other than the general manager) employed during the year, expressed as the total remuneration of all the senior staff members concerned (not of the individual senior staff).** The only designated senior staff member under S332 of the Local Government Act 1993 is the General Manager.

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# STATUTORY REPORTING

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**(e) if the council has levied an annual charge for stormwater management services—a statement detailing the stormwater management services provided by the council during that year.** 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). Capital stormwater works included new pipes and pits from Menindee Street to the northern side of the oval, Menindee Central School.

\$116,216 was expended on stormwater maintenance in the reporting period.

\$122,317 was expended on Capital improvement works in the reporting period.

**(e1) if the council has levied an annual charge for coastal protection services—a statement detailing the coastal protection services provided by the council during that year.** There was no annual charge for coastal protection services.

**(f) a detailed statement, prepared in accordance with such guidelines as may be issued by the Director-General from time to time, of the council's activities during the year in relation to enforcing, and ensuring compliance with, the provisions of the Companion Animals Act 1998 and the regulations under that Act.** Animal Control in Central Darling Shire is an ongoing issue. Constant monitoring and control measures are needed to deal with roaming and straying animals including both dogs and cats.

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 annual expenditure relating to companion animal management and activities was \$174,435. At this stage it has not be deemed necessary to allocate specific off leash areas within any Shire towns.

Animal control statistics are listed on the next page

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Wilcannia Community Centre is often used as the venue for visiting vets from Broken Hill and through RSPCA programs for microchipping

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# COMPANION ANIMAL CONTROL

Animal Control Statistics for 2020/21								
Month	Seized and Impounded	Rehomed	Returned to Owner	Euthanised	Registrations	Micro-chipped	Penalty Notices	In Pound at End of Month
<b>July 2020</b>	12 DOGS 3 CATS	10 DOGS 0 CATS	2 DOGS 0 CATS	0 DOGS 3 CATS	0	0	0	0
<b>Aug 2020</b>	4 DOGS 2 CATS	2 DOGS 0 CATS	2 DOGS 0 CATS	0 DOGS 2 CATS	0	0	0	0
<b>Sept 2020</b>	8 DOGS 0 CATS	6 DOGS 0 CATS	0 DOGS 0 CATS	1 DOGS 0 CATS	0	0	0	0
<b>Oct 2020</b>	9 DOGS 2 CATS	9 DOGS 0 CATS	0 DOGS 0 CATS	0 DOGS 2 CATS	0	0	0	0
<b>Nov 2020</b>	5 DOGS 0 CATS	4 DOGS 0 CATS	1 DOGS 0 CATS	0 DOGS 0 CATS	0	0	0	0
<b>Dec 2020</b>	9 DOGS 6 CATS	9 DOGS 0 CATS	0 DOGS 0 CATS	0 DOGS 6 CATS	0	0	0	0
<b>Jan 2021</b>	4 DOGS 0 CATS	3 DOGS 0 CATS	0 DOGS 0 CATS	1 DOGS 0 CATS	0	0	0	0
<b>Feb 2021</b>	13 DOGS 1 CATS	10 DOGS 0 CATS	0 DOGS 0 CATS	3 DOGS 0 CATS	0	0	0	0
<b>Mar 2021</b>	10 DOGS 1 CATS	10 DOGS 0 CATS	0 DOGS 0 CATS	0 DOGS 0 CATS	0	0	0	0
<b>April 2021</b>	10 DOGS 2 CATS	0 DOGS 0 CATS	0 DOGS 0 CATS	1 DOGS 2 CATS	0	0	0	0
<b>May 2021</b>	9 DOGS 0 CATS	9 DOGS 0 CATS	0 DOGS 0 CATS	0 DOG 0 CATS	0	0	0	0
<b>June 2021</b>	7 DOGS 1 CATS	6 DOGS 0 CATS	1 DOGS 0 CATS	0 DOGS 1 CATS	0	0	0	0
<b>Total</b>	100 DOGS 16 CATS	78 DOGS 0 CATS	6 DOGS 0 CATS	6 DOGS 16 CATS	0	0	0	0

# STATUTORY REPORTING

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Council is also required to note the following actions under the *Environmental Planning and Assessment Act 1979*, the *Swimming Pools Act 1992* and the *Swimming Pools Regulation 2018*.

**Particulars of compliance with and effect of planning agreements in force during the year.** There were no planning agreements entered into during the reporting period

**Details of inspections of private swimming pools. Include the number of inspections that:**

**were of tourist and visitor accommodation.** There were two (2) inspections of the police quarters swimming pool (no longer operational) and the Underground Motel at White Cliffs.

**were of premises with more than 2 dwellings.** Not applicable

**resulted in issuance a certificate of compliance under s22D of the Swimming Pools Act.** Nil

**resulted in issuance a certificate of non-compliance under cl 21 Swimming Pools Regulation** Nil

**Include particulars of any environmental upgrade agreement entered into by the council.** There were no environmental upgrade agreements entered into by Council in the reporting period.



There were no requests for information under the *Government Information (Public Access) Act 2009* or the *Government Information (Public Access) Regulation 2009*.

There were no public interest disclosures made under the *Public Interest Disclosure Act 1994*. Central Darling Shire Council has a formal policy surrounding disclosures. Ongoing information programs will be presented to provide new staff with appropriate information about disclosure responsibilities and rights.

Rates and charges written off during the 2020/21 Financial Year totalled \$1,067,251.10.

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History abounds in Wilcannia's built environment. The Wilcannia Hospital was constructed in 1879 from local sandstone. While its external integrity remains, it has been refitted and reconfigured internally to meet the requirements of a modern medical facility.

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# OUR ACHIEVEMENTS

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## GOAL 1

*A healthy and cohesive community receiving recognition and supported by coordinated, appropriate and affordable services*

Over the past 12 months, Council has been active in maintaining relationships with service providers to ensure appropriate and sustainable services are available to the community.

A strong relationship has been built with service provider REDI.E which runs the local radio station as well as vocational training programs. COVID related delays have had an impact on a number of activities normally undertaken by Council, such as partnership with the NetWaste arts program. However, these relationships are maintained, and will be rebuilt as NSW moves to social connectivity. Council also has established relationships with West Darling Arts and Far West Regional Development Australia as well as service providers such as Maari Ma Health Service.

While social activities have been impacted, social infrastructure projects have moved ahead. Council has upgraded public toilet facilities in White Cliffs, Tilpa and Sunset Strip, providing infrastructure for the community and tourists.

Council continues to hold the Central Darling Shire Community Service Awards. Run annually, the Awards recognise residents in all of our towns who have contributed in a significant and meaningful way. While the Awards are announced around Australia Day, they are structured to respect and acknowledge the views of our First Nations communities through recognising community achievement.

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Australia Day celebrations in Ivanhoe recognised recipients of the Central Darling Shire Council Community Service Awards.

These annual awards are an important way of thanking the quiet achiever of our communities. Awardees were thanked at presentations in Wilcannia, White Cliffs, Ivanhoe and Menindee.

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# OUR ACHIEVEMENTS

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## GOAL 2

### *A strong regional economy supported by developing industries, strong businesses and increased employment*

An increase in domestic tourism has presented a number of major opportunities for the Shire. Council commenced planning for this increase by upgrading signposting in towns, providing visitors with an opportunity to feel welcome and enjoy their visitor experience.

Heritage trails have also been developed, with more in the planning stages, which provide locals and visitors with an opportunity to learn more about the deep First Nation and European heritage that permeates the Shire.

As part of this process, Council has engaged the services of the University of Newcastle to develop a Heritage Trail App which will build on the growing tourism sector and provide a greater destination market.

Over the course of the Delivery Plan period, Council has been working with the Baaka Cultural Centre Corporation and Public Works Advisory to move forward the Baaka Cultural Centre. The Centre is being constructed on the site of what is known locally as 'the Knox and Downs' building, which was an integral part of Wilcannia's heritage in its heyday as a pivotal transport hub.

Jointly funded by the NSW and Australian Governments, the Baaka Cultural Centre is currently working through the planning and development stages. While the project has been severely impacted by COVID travel restrictions over the course of its development, the Centre will eventually provide employment opportunities during construction, fitout and commission.

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Copi Hollow Caravan Park, sits on the banks of Copi Hollow, part of the famous Menindee Lakes system. It is an important part of the economic and social vibrancy of Menindee, Sunset Strip and the Central Darling Shire in general.

Tourism and destination marketing, is vital to the ongoing success of Central Darling Shire communities.

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# OUR ACHIEVEMENTS

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## GOAL 3

### *A protected and supported natural environment and a sustainable and well-maintained built environment*

Council is committed to ensuring the natural and built environment within the Shire is sustained and sustainable. With the employment of a dedicated and qualified strategic planner, Council has been able to ensure the urban landscape is maintained and developed in a manner that respects the community.

With the support of a contracted Heritage Advisor, residents have been able to apply for funding through State Government heritage programs to ensure their properties – whether they be homes, businesses or related infrastructure – will continue to hold their heritage value, something vital to the ongoing promotion of the region as one of the first outback settlements in NSW.

Council recognises the value of a sustainable and supported natural environment. In conjunction with Western Local Lands Service, Council entered into a fee for service arrangement to ensure that weed management was maintained. Weed management is vital to the ongoing protection of the natural environment.

In addition to the urban and natural environment, infrastructure management and maintenance has been a high priority for Council over many years. With a large network of local, unsealed roads, grading work takes much of Council's resources. An increase in domestic tourism over a number of years has highlighted the need for sealing program on a number of main roads, and work on the connecting road between Menindee and Wentworth, via Pooncarie (MR68C) commenced during the current reporting period. This \$26 million – three year project will open up the far west and provide further opportunities for local enterprise.

Contracts for the construction of water treatment plants in the three major centres of the shire were let during the reporting period, after extensive planning and development work to ensure long term viability of the project.

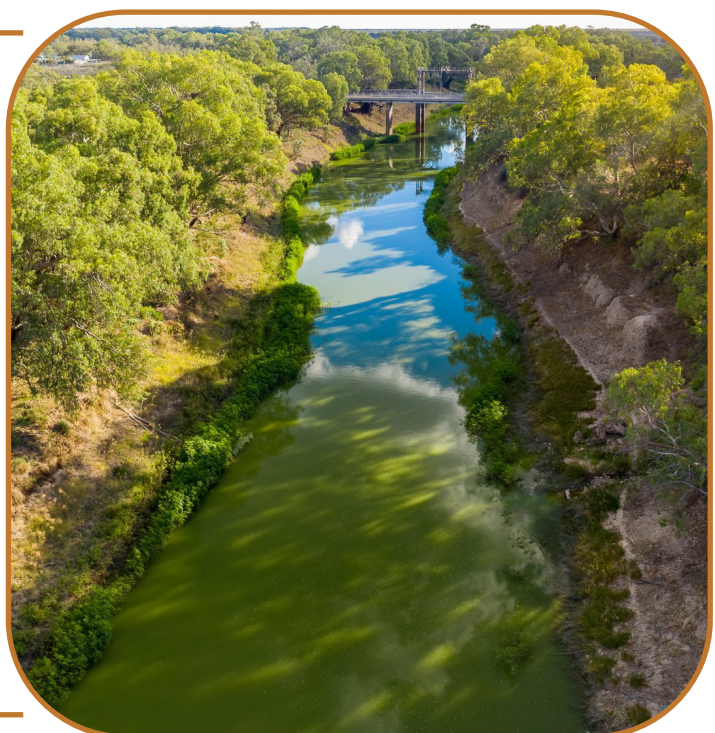
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Maintaining sustainable natural environment of Wilcannia and the Central Darling Shire is a priority for Central Darling Shire Council and its communities. The Darling/Baaka River (pictured) is vital to the cultural, social, environmental and economic future of the whole region.

The Barkindji people of the region have relied on the river as a source of social engagement, as a food source and as part of their history.

As a part of the Darling River Run, and an integral part of the local history of the region it serves as a focal point for domestic tourism.

*Photo: Luke Allen  
Sky High Film and Photo  
Instagram and Facebook @skyhighfilmandphoto*



# OUR ACHIEVEMENTS

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## GOAL 4

### *A consultative and professional organisation providing a high standard and efficient delivery of services*

Council has increased its capacity for consultation, engagement and service delivery with the employment of some key staff to focus on these areas. Its community engagement strategy is being supported by a number of activities, including an increase in information through main stream and social media, as well as an upgrade to Council's corporate website. This has been welcomed by the community, with the new website providing more streamlined access to information and providing council with the opportunity to engage online. As well as providing better access to information, the upgrade was necessitated by the introduction of the e-planning platform. With continued engagement and access, these platforms will provide residents and customers with the information they need to be an active part of the community.

Council commenced work on its four year Community Strategic Plan, engaging consultants with specialist skills in forward planning and community engagement. The consultation process was designed to ensure all sectors of the community, including students, Indigenous communities and remote residents were given the opportunity to put forward their aspirations and concerns for the future. This vital long term planning process has been severely impacted by travel restrictions, however the background work that has been undertaken prior to restrictions has ensured a sound document for the future can be presented to the community.

Customer service has been a focus of Council and it continues to work on this. With an increase in consultation with the community due to corporate and urban planning matters, there has been an increased understanding of the level of community desire for structured customer service values. As a result, Council has embarked on a Customer Service Strategy, including a Charter of Service which will be complemented by community appropriate resolution strategies.

Strengthened management practices continues to have a positive outcome on the financial sustainability of Central Darling Shire Council. Long term financial planning has been streamlined and up to date accounting and financial processes put in place. Council's rate base will always provide minimal income and processes are now in place to ensure debt recovery is active, streamlined and cost efficient.

Central Darling Shire Council Administrator, Bob Stewart, joined with the NSW Governor, Her Excellency the Honourable Margaret Beazley AC QC, State Member for Barwon Roy Butler and the local community to take part in a smoking ceremony to welcome Her Excellency and her husband, Dennis Wilson during a visit to White Cliffs.

Her Excellency and Mr Wilson enjoyed an evening with the White Cliffs community, after spending some time with Wilcannia residents that day.

*Photo: Marco Serventi*



# Central Darling Shire Council

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2021

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# Central Darling Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2021

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# Central Darling Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2021

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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 B1-2.

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

# Central Darling Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2021

### Understanding Council's Financial Statements

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#### Introduction

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

#### What you will find in the Statements

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

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

#### About the Councillor/Management Statement

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

#### About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

##### 1. The Income Statement

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

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

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

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

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

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

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

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

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

#### About the Notes to the Financial Statements

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

#### About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

#### Who uses the Financial Statements?

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

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

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

## Central Darling Shire Council

### General Purpose Financial Statements

for the year ended 30 June 2021

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

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

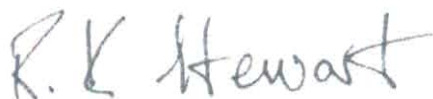
- the *Local Government Act 1993* and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the Local Government Code of Accounting Practice and Financial Reporting.

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

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

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

Signed in accordance with a resolution of Council made on 22 September 2021.



Robert Stewart  
Administrator  
22 September 2021



Greg Hill  
General Manager  
22 September 2021



Gordon Seeto  
Responsible Accounting Officer  
22 September 2021



## Central Darling Shire Council

### Income Statement

for the year ended 30 June 2021

Original unaudited budget 2021	\$ '000	Notes	Actual 2021	Actual 2020
<b>Income from continuing operations</b>				
2,298	Rates and annual charges	B2-1	<b>2,396</b>	2,348
8,712	User charges and fees	B2-2	<b>9,632</b>	12,544
331	Other revenue	B2-3	<b>821</b>	398
11,030	Grants and contributions provided for operating purposes	B2-4	<b>13,677</b>	11,549
15,450	Grants and contributions provided for capital purposes	B2-4	<b>7,021</b>	2,728
79	Interest and investment income	B2-5	<b>51</b>	121
–	Other income	B2-6	<b>33</b>	103
–	Net gains from the disposal of assets	B4-1	<b>63</b>	–
<b>37,900</b>	<b>Total income from continuing operations</b>		<b>33,694</b>	29,791
<b>Expenses from continuing operations</b>				
5,606	Employee benefits and on-costs	B3-1	<b>5,646</b>	4,778
9,146	Materials and services	B3-2	<b>16,506</b>	13,973
88	Borrowing costs	B3-3	<b>29</b>	21
3,960	Depreciation, amortisation and impairment for non-financial assets	B3-4	<b>4,299</b>	4,092
3,014	Other expenses	B3-5	<b>1,111</b>	834
<b>21,814</b>	<b>Total expenses from continuing operations</b>		<b>27,591</b>	23,698
<b>16,086</b>	<b>Operating result from continuing operations</b>		<b>6,103</b>	6,093
<b>16,086</b>	<b>Net operating result for the year attributable to Council</b>		<b>6,103</b>	6,093
<b>636</b>	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>(918)</b>	3,365

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

## Central Darling Shire Council

### Statement of Comprehensive Income

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
<b>Net operating result for the year – from Income Statement</b>		<b>6,103</b>	<b>6,093</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	<u>248</u>	<u>(5,946)</u>
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>248</b>	<b>(5,946)</b>
<b>Total other comprehensive income for the year</b>		<b>248</b>	<b>(5,946)</b>
<b>Total comprehensive income for the year attributable to Council</b>		<b>6,351</b>	<b>147</b>

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

## Central Darling Shire Council

### Statement of Financial Position

as at 30 June 2021

\$ '000	Notes	2021	2020
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	C1-1	8,727	7,775
Receivables	C1-3	7,268	3,061
Inventories	C1-4	257	455
<b>Total current assets</b>		<b>16,252</b>	<b>11,291</b>
<b>Non-current assets</b>			
Infrastructure, property, plant and equipment	C1-5	174,720	168,414
Right of use assets	C2-1	433	457
Investments accounted for using the equity method	D2-1	1,140	1,359
<b>Total non-current assets</b>		<b>176,293</b>	<b>170,230</b>
<b>Total assets</b>		<b>192,545</b>	<b>181,521</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	C3-1	1,696	1,135
Income received in advance	C3-1	109	86
Contract liabilities	C3-2	4,327	60
Lease liabilities	C2-1	308	137
Borrowings	C3-3	150	165
Employee benefit provisions	C3-4	1,064	1,083
<b>Total current liabilities</b>		<b>7,654</b>	<b>2,666</b>
<b>Non-current liabilities</b>			
Lease liabilities	C2-1	133	309
Borrowings	C3-3	-	141
Employee benefit provisions	C3-4	27	27
Provisions	C3-5	717	715
<b>Total non-current liabilities</b>		<b>877</b>	<b>1,192</b>
<b>Total liabilities</b>		<b>8,531</b>	<b>3,858</b>
<b>Net assets</b>		<b>184,014</b>	<b>177,663</b>
<b>EQUITY</b>			
Accumulated surplus	C4-1	127,008	120,905
IPPE revaluation reserve	C4-1	57,006	56,758
<b>Council equity interest</b>		<b>184,014</b>	<b>177,663</b>
<b>Total equity</b>		<b>184,014</b>	<b>177,663</b>

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

## Central Darling Shire Council

### Statement of Changes in Equity

for the year ended 30 June 2021

\$ '000	Notes	as at 30/06/21			as at 30/06/20		
		Accumulated surplus	IPPE revaluation reserve	Total equity	Accumulated surplus	IPPE revaluation reserve	Total equity
Opening balance at 1 July		120,905	56,758	177,663	114,812	62,704	177,516
<b>Restated opening balance</b>		<b>120,905</b>	<b>56,758</b>	<b>177,663</b>	<b>114,812</b>	<b>62,704</b>	<b>177,516</b>
Net operating result for the year		6,103	–	6,103	6,093	–	6,093
<b>Restated net operating result for the period</b>		<b>6,103</b>	<b>–</b>	<b>6,103</b>	<b>6,093</b>	<b>–</b>	<b>6,093</b>
<b>Other comprehensive income</b>							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-5	–	248	248	–	(5,946)	(5,946)
<b>Other comprehensive income</b>		<b>–</b>	<b>248</b>	<b>248</b>	<b>–</b>	<b>(5,946)</b>	<b>(5,946)</b>
<b>Total comprehensive income</b>		<b>6,103</b>	<b>248</b>	<b>6,351</b>	<b>6,093</b>	<b>(5,946)</b>	<b>147</b>
<b>Closing balance at 30 June</b>		<b>127,008</b>	<b>57,006</b>	<b>184,014</b>	<b>120,905</b>	<b>56,758</b>	<b>177,663</b>

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

## Central Darling Shire Council

### Statement of Cash Flows

for the year ended 30 June 2021

Original unaudited budget 2021	\$ '000	Notes	Actual 2021	Actual 2020
<b>Cash flows from operating activities</b>				
<i>Receipts:</i>				
1,839	Rates and annual charges		2,864	2,549
8,625	User charges and fees		7,519	12,209
79	Investment and interest revenue received		164	275
26,480	Grants and contributions		24,065	14,527
–	Other		1,027	2,077
<i>Payments:</i>				
(5,606)	Employee benefits and on-costs		(5,816)	(4,481)
(11,430)	Materials and services		(17,430)	(14,712)
(12)	Borrowing costs		(29)	(21)
–	Bonds, deposits and retention amounts refunded		–	(2)
–	Other		(1,078)	(1,519)
19,975	<b>Net cash flows from operating activities</b>	G1-1	<b>11,286</b>	<b>10,902</b>
<b>Cash flows from investing activities</b>				
<i>Receipts:</i>				
–	Sale of infrastructure, property, plant and equipment		63	–
<i>Payments:</i>				
(19,596)	Purchase of infrastructure, property, plant and equipment		(9,902)	(5,907)
(19,596)	<b>Net cash flows from investing activities</b>		<b>(9,839)</b>	<b>(5,907)</b>
<b>Cash flows from financing activities</b>				
<i>Payments:</i>				
(153)	Repayment of borrowings		(156)	(149)
(442)	Principal component of lease payments		(339)	(261)
(595)	<b>Net cash flows from financing activities</b>		<b>(495)</b>	<b>(410)</b>
(216)	<b>Net change in cash and cash equivalents</b>		<b>952</b>	<b>4,585</b>
3,830	Cash and cash equivalents at beginning of year		7,775	3,190
3,614	<b>Cash and cash equivalents at end of year</b>	C1-1	<b>8,727</b>	<b>7,775</b>

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

# Central Darling Shire Council

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# Central Darling Shire Council

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## A About Council and these financial statements

### A1-1 Basis of preparation

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These financial statements were authorised for issue by Council on 22 September 2021. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (Act)* and *Local Government (General) Regulation 2005 (Regulation)*, and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not for-profit entity.

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

#### Historical cost convention

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

#### Significant accounting estimates and judgements

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

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

#### Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note C1-5.
- (ii) estimated tip remediation provisions – refer Note C3-5.
- (iii) employee benefit provisions – refer Note C3-4.

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

- (i) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables – refer Note C1-3.

### Monies and other assets received by Council

#### The Consolidated Fund

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

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

- General purpose operations
- Water service
- Sewerage service



## A1-1 Basis of preparation (continued)

### 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.

### Volunteer services

Volunteer Services are considered to be non-material.

### 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 (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2021 reporting period.

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

As at the date of authorisation of these financial statements Council does not consider that any of these new (and still to be applied) standards and interpretations are likely to have a material impact on the Council's future financial statements, financial position, financial performance or cash flows.

### 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 2021 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 2021, at which time any such outstanding funds must be restored.

### New accounting standards adopted during the year

During the year Council adopted the following accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from 1 July 2020:

- AASB 1059 Service Concession Arrangements: Grantor and associated amendments
- AASB 2018- 6 Amendments to Australian Accounting Standards – Definition of a business

## A1-1 Basis of preparation (continued)

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- AASB 2018 – 7 Amendments to Australian Accounting Standards – Definition of material
- AASB 2019 – 3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform
- AASB 2019 – 5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia
- AASB 2019 – 7 Amendments to Australian Accounting Standards – Disclosure of GFS Measures of Key Fiscal Aggregates and GAAP / GFS Reconciliations
- AASB 2020 – 4 Amendments to Australian Accounting Standards – Covid-19 Related Rent Concessions

There has been no material impact on Council's financial statements resulting from the adoption of these new accounting standards.

## B Financial Performance

### B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
<b>Functions or activities</b>										
Governance	–	–	259	135	(259)	(135)	–	–	–	–
Administration	309	772	3,186	4,505	(2,877)	(3,733)	–	–	10,956	9,897
Public order and safety	188	119	664	398	(476)	(279)	102	98	13,767	1,496
Environment	617	859	919	616	(302)	243	–	1,605	740	782
Community services and education	38	92	146	156	(108)	(64)	2	–	2,085	2,173
Housing and community amenities	1,458	2,013	1,609	835	(151)	1,178	1,382	–	6,908	4,861
Water supplies	1,165	1,039	1,920	1,565	(755)	(526)	–	80	27,344	27,955
Sewerage services	782	363	321	231	461	132	300	111	5,303	4,704
Recreation and culture	1,570	665	915	672	655	(7)	1,556	600	5,094	6,701
Transport and communications	19,066	16,408	15,275	13,684	3,791	2,724	11,320	2,007	119,760	122,410
Economic affairs	1,578	541	2,377	901	(799)	(360)	–	60	588	542
General purpose income	6,923	6,920	–	–	6,923	6,920	6,036	6,000	–	–
<b>Total functions and activities</b>	<b>33,694</b>	<b>29,791</b>	<b>27,591</b>	<b>23,698</b>	<b>6,103</b>	<b>6,093</b>	<b>20,698</b>	<b>10,561</b>	<b>192,545</b>	<b>181,521</b>

## B1-2 Components of functions or activities

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

## B2 Sources of income

### B2-1 Rates and annual charges

\$ '000	Timing	2021	2020
<b>Ordinary rates</b>			
Residential	1	352	350
Farmland	1	473	461
Business	1	45	45
Less: pensioner rebates (mandatory)		(15)	(15)
<b>Rates levied to ratepayers</b>		<b>855</b>	<b>841</b>
Pensioner rate subsidies received	2	8	8
<b>Total ordinary rates</b>		<b>863</b>	<b>849</b>
<b>Annual charges</b>			
<small>(pursuant to s.496, s.496A, s.496B, s.501 &amp; s.611)</small>			
Domestic waste management services	1	515	502
Water supply services	1	656	653
Sewerage services	1	271	253
Waste management services (non-domestic)	1	101	101
Less: pensioner rebates (mandatory)	1	(22)	(22)
<b>Annual charges levied</b>		<b>1,521</b>	<b>1,487</b>
Pensioner subsidies received:			
– Water	2	3	3
– Sewerage	2	1	1
– Domestic waste management	2	8	8
<b>Total annual charges</b>		<b>1,533</b>	<b>1,499</b>
<b>Total rates and annual charges</b>		<b>2,396</b>	<b>2,348</b>

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

#### Accounting policy

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

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

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

## B2-2 User charges and fees

\$ '000	Timing	2021	2020
<b>Specific user charges</b>			
(per s.502 - specific 'actual use' charges)			
Water supply services	2	457	345
<b>Total specific user charges</b>		<b>457</b>	<b>345</b>
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>			
Planning and building regulation	2	–	34
Private works – section 67	2	1,256	697
Section 10.7 certificates (EP&A Act)	2	6	–
Section 603 certificates	2	10	–
Town planning	2	27	–
<b>Total fees and charges – statutory/regulatory</b>		<b>1,299</b>	<b>731</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s.608))</b>			
Caravan park	2	58	24
Cemeteries	2	13	11
Community centres	2	12	–
Multipurpose centre	2	36	–
Transport for NSW works (state roads not controlled by Council)	2	7,746	11,337
Swimming centres	2	3	–
Waste disposal tipping fees	2	7	55
Water connection fees	2	1	–
Rent and hire of council property	2	–	6
Other	2	–	35
<b>Total fees and charges – other</b>		<b>7,876</b>	<b>11,468</b>
<b>Total user charges and fees</b>		<b>9,632</b>	<b>12,544</b>
<b>Timing of revenue recognition for user charges and fees</b>			
User charges and fees recognised over time (1)		–	–
User charges and fees recognised at a point in time (2)		9,632	12,544
<b>Total user charges and fees</b>		<b>9,632</b>	<b>12,544</b>

### Accounting policy

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

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

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

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

## B2-3 Other revenue

\$ '000	Timing	2021	2020
Fines – other	1	2	–
Legal fees recovery – rates and charges (extra charges)	2	22	43
Legal fees recovery – other	2	5	–
Commissions and agency fees	2	104	200
Diesel rebate	1	24	–
Insurance claims recoveries	1	52	9
Sales of inventories	2	123	–
Sales – general	1	46	87
Aboriginal communities water & sewer scheme	1	239	–
Other	1	204	59
<b>Total other revenue</b>		<b>821</b>	<b>398</b>

### Timing of revenue recognition for other revenue

Other revenue recognised over time (1)	569	–
Other revenue recognised at a point in time (2)	252	398
<b>Total other revenue</b>	<b>821</b>	<b>398</b>

### Accounting policy for other revenue

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

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

Other revenues are recognised as revenue when the service has been provided, or when the penalty has been applied, whichever occurs first.

## B2-4 Grants and contributions

\$ '000	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
<b>General purpose grants and non-developer contributions (untied)</b>					
<b>General purpose (untied)</b>					
<b>Current year allocation</b>					
Financial assistance – general component	1	2,120	2,070	–	–
Financial assistance – local roads component	1	795	843	–	–
<b>Payment in advance - future year allocation</b>					
Financial assistance – general component	1	2,268	2,233	–	–
Financial assistance – local roads component	1	853	854	–	–
<b>Amount recognised as income during current year</b>		<b>6,036</b>	<b>6,000</b>	<b>–</b>	<b>–</b>
<b>Special purpose grants and non-developer contributions (tied)</b>					
<b>Cash contributions</b>					
<b>Previously specific grants:</b>					
Water supplies	2	–	–	400	–
Bushfire and emergency services	2	102	98	–	–
Economic development	2	–	–	–	60
Environmental programs	1	–	139	–	2,044
Heritage and cultural	2	21	12	10	–
Recreation and culture	1	10	11	45	577
Storm/flood damage		2,125	–	–	–
Airport	2	–	–	76	4
Youth	1	2	2	–	–
Water and sewer	1	–	68	–	43
Street lighting	1	8	–	–	–
Transport (roads to recovery)	2	2,115	1,503	–	–
Transport (other roads and bridges funding)	2	–	–	3,788	–
Other specific grants	2	50	–	2,402	–
<b>Previously contributions:</b>					
Transport for NSW contributions (regional roads, block grant)	2	3,208	3,716	–	–
Sewerage (excl. section 64 contributions)	2	–	–	300	–
<b>Total special purpose grants and non-developer contributions – cash</b>		<b>7,641</b>	<b>5,549</b>	<b>7,021</b>	<b>2,728</b>
<b>Total special purpose grants and non-developer contributions (tied)</b>		<b>7,641</b>	<b>5,549</b>	<b>7,021</b>	<b>2,728</b>
<b>Total grants and non-developer contributions</b>		<b>13,677</b>	<b>11,549</b>	<b>7,021</b>	<b>2,728</b>
<b>Comprising:</b>					
– Commonwealth funding		8,151	7,557	1,409	1,854
– State funding		5,526	274	4,897	814
– Other funding		–	3,718	715	60
		<b>13,677</b>	<b>11,549</b>	<b>7,021</b>	<b>2,728</b>



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

<b>\$ '000</b>	<b>Operating 2021</b>	Operating 2020	<b>Capital 2021</b>	Capital 2020
<b>Total grants and contributions</b>	<b>13,677</b>	11,549	<b>7,021</b>	2,728
<b>Timing of revenue recognition for grants and contributions</b>				
Grants and contributions recognised over time (1)	<b>6,056</b>	–	<b>45</b>	–
Grants and contributions recognised at a point in time (2)	<b>7,621</b>	11,549	<b>6,976</b>	2,728
<b>Total grants and contributions</b>	<b>13,677</b>	11,549	<b>7,021</b>	2,728

## B2-4 Grants and contributions (continued)

### Unspent grants and contributions

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

\$ '000	Operating 2021	Operating 2020	Capital 2021	Capital 2020
<b>Unspent grants and contributions</b>				
Unspent funds at 1 July	–	2	60	–
<b>Add:</b> Funds received for the provision of goods and services	<b>13,677</b>	–	<b>11,248</b>	60
<b>Less:</b> Funds received in the current period and now spent	<b>(13,677)</b>	(2)	<b>(6,921)</b>	–
<b>Less:</b> Funds received in prior year but revenue recognised and funds spent in current year	–	–	<b>(60)</b>	–
<b>Unspent funds at 30 June</b>	<b>–</b>	<b>–</b>	<b>4,327</b>	<b>60</b>

### Accounting policy

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

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

The performance obligations vary according to the agreement but include the provision of goods or services or the achievement of milestone deliverables. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

#### Capital grants

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

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

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

#### Other grants and contributions

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

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

**B2-5 Interest and investment income**

\$ '000	2021	2020
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	49	118
– Cash and investments	2	3
<b>Total interest and investment income (losses)</b>	<b>51</b>	<b>121</b>
<b>Interest and investment income is attributable to:</b>		
<b>Unrestricted investments/financial assets:</b>		
Overdue rates and annual charges (general fund)	19	56
General Council cash and investments	6	3
<b>Restricted investments/funds – external:</b>		
Water fund operations	23	53
Sewerage fund operations	3	9
<b>Total interest and investment income</b>	<b>51</b>	<b>121</b>

**Accounting policy**

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

**B2-6 Other income**

\$ '000	Notes	2021	2020
<b>Rental income</b>			
<b>Other lease income</b>			
Leaseback fees - council vehicles		3	2
Other		30	101
<b>Total Other lease income</b>		<b>33</b>	<b>103</b>
<b>Total rental income</b>	C2-2	<b>33</b>	<b>103</b>
<b>Total other income</b>		<b>33</b>	<b>103</b>

## B3 Costs of providing services

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

\$ '000	2021	2020
Salaries and wages	4,582	3,974
Employee leave entitlements (ELE)	458	494
Superannuation	433	318
Workers' compensation insurance	216	123
Fringe benefit tax (FBT)	27	45
Protective clothing	3	–
Other	155	–
<b>Total employee costs</b>	<b>5,874</b>	<b>4,954</b>
Less: capitalised costs	(228)	(176)
<b>Total employee costs expensed</b>	<b>5,646</b>	<b>4,778</b>
Number of 'full-time equivalent' employees (FTE) at year end	44	46

#### Accounting policy

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

#### Retirement benefit obligations

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

#### Superannuation plans

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

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

**B3-2 Materials and services**

\$ '000	Notes	2021	2020
Raw materials and consumables		13,432	12,554
Contractor and consultancy costs		556	157
Audit Fees	F2-1	143	63
<b>Previously other expenses:</b>			
Administrator fees and associated expenses	F1-2	227	–
Advertising		21	18
Bank charges		5	9
Cleaning		47	–
Computer software charges		182	–
Electricity and heating		289	243
Fire control expenses		101	–
Insurance		532	391
Office expenses (including computer expenses)		195	–
Postage		4	–
Printing and stationery		48	28
Street lighting		17	42
Subscriptions and publications		42	157
Telephone and communications		202	102
Valuation fees		53	13
Cost of sales		86	–
Travel expenses		40	–
Training costs (other than salaries and wages)		86	103
Other expenses		4	–
<b>Legal expenses:</b>			
– Legal expenses: debt recovery		187	47
– Legal expenses: other		–	16
Expenses from short-term leases		7	30
<b>Total materials and services</b>		<b>16,506</b>	<b>13,973</b>
<b>Total materials and services</b>		<b>16,506</b>	<b>13,973</b>

**Accounting policy**

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

**B3-3 Borrowing costs**

<b>\$ '000</b>	<b>2021</b>	2020
<b>(i) Interest bearing liability costs</b>		
Interest on leases	9	7
Interest on loans	20	14
<b>Total interest bearing liability costs</b>	<b>29</b>	<b>21</b>
<b>Total interest bearing liability costs expensed</b>	<b>29</b>	<b>21</b>
<b>Total borrowing costs expensed</b>	<b>29</b>	<b>21</b>

**Accounting policy**

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

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

\$ '000	Notes	2021	2020
<b>Depreciation and amortisation</b>			
Plant and equipment		191	125
Furniture and fittings		1	–
<b>Infrastructure:</b>	C1-5		
– Buildings – non-specialised		826	852
– Other structures		262	231
– Roads		1,858	1,861
– Stormwater drainage		25	25
– Water supply network		668	636
– Sewerage network		97	86
Right of use assets	C2-1	358	250
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Tip assets	C3-5,C1-5	13	26
<b>Total gross depreciation and amortisation costs</b>		<b>4,299</b>	<b>4,092</b>
<b>Total depreciation and amortisation costs</b>		<b>4,299</b>	<b>4,092</b>
<b>Total depreciation, amortisation and impairment for non-financial assets</b>		<b>4,299</b>	<b>4,092</b>

### Accounting policy

#### Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note C1-5 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 not tested for impairment since these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

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

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

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

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

## B3-5 Other expenses

\$ '000	Notes	2021	2020
<b>Impairment of receivables</b>			
Other		655	600
<b>Total impairment of receivables</b>	C1-3	<b>655</b>	<b>600</b>
<b>Net share of interests in joint ventures and associates using the equity method</b>			
Joint arrangements		219	102
<b>Total net share of interests in joint ventures and associates using the equity method</b>	D2-1	<b>219</b>	<b>102</b>
<b>Other</b>			
Contributions/levies to other levels of government			
– Emergency services levy (includes FRNSW, SES, and RFS levies)		140	130
– Other contributions/levies		86	–
Donations, contributions and assistance to other organisations (Section 356)		11	2
<b>Total other</b>		<b>237</b>	<b>132</b>
<b>Total other expenses</b>		<b>1,111</b>	<b>834</b>

### Accounting policy

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

Impairment expenses are recognised when identified.



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

<b>\$ '000</b>	Notes	<b>2021</b>	2020
<b>Gain (or loss) on disposal of plant and equipment</b>	C1-5		
Proceeds from disposal – plant and equipment		<b>63</b>	–
<b>Gain (or loss) on disposal</b>		<b>63</b>	–
<b>Net gain (or loss) on disposal of assets</b>		<b>63</b>	–

**Accounting policy**

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

## B5 Performance against budget

### B5-1 Material budget variations

Council's original budget was adopted by the Council on 22/07/2020 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----		
<b>REVENUES</b>					
<b>Rates and annual charges</b>	2,298	2,396	98	4%	<b>F</b>
Write-off of bad debts					
<b>User charges and fees</b>	8,712	9,632	920	11%	<b>F</b>
Additional RMS works completed during the year, that were not included in Council's original budget.					
<b>Other revenues</b>	331	821	490	148%	<b>F</b>
Reallocation of amounts due to implementing a new accounting system approach.					
<b>Operating grants and contributions</b>	11,030	13,677	2,647	24%	<b>F</b>
The favourable variance is indicative of Council's conservative approach to estimating grants for the Annual Budget. Additional funding was received for the following grants: Roads to Recovery, Bushfire and Emergency and Federal Assistance funding.					
<b>Capital grants and contributions</b>	15,450	7,021	(8,429)	(55)%	<b>U</b>
Major projects incomplete and grant funds transferred to contract liability to be taken up next period.					
<b>Interest and investment revenue</b>	79	51	(28)	(35)%	<b>U</b>
Reduction in interest on rates & charges due to 6 month interest free period mandated due to COVID-19.					
<b>Net gains from disposal of assets</b>	-	63	63	∞	<b>F</b>
Council does not budget for the potential sale of plant.					
<b>Other income</b>	-	33	33	∞	<b>F</b>
Reallocation of amounts due to implementing a new accounting system approach.					
<b>EXPENSES</b>					
<b>Employee benefits and on-costs</b>	5,606	5,646	(40)	(1)%	<b>U</b>
<b>Materials and services</b>	9,146	16,506	(7,360)	(80)%	<b>U</b>
Increased works due to increased operating grants and reallocation due to new accounting system approach.					
<b>Borrowing costs</b>	88	29	59	67%	<b>F</b>
Interest expense over-estimated as part of budget preparation					
<b>Depreciation, amortisation and impairment of non-financial assets</b>	3,960	4,299	(339)	(9)%	<b>U</b>

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

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----	
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Additional depreciation due to roads revaluation in the 2020 year.

<b>Other expenses</b>	<b>3,014</b>	<b>1,111</b>	<b>1,903</b>	<b>63%</b>	<b>F</b>
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Increased share of operating deficit from FWJO.

**STATEMENT OF CASH FLOWS**

<b>Cash flows from operating activities</b>	<b>19,975</b>	<b>11,286</b>	<b>(8,689)</b>	<b>(43)%</b>	<b>U</b>
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Expenditure from operating grants, while an increase on last period, was not as high as budgeted for.

<b>Cash flows from investing activities</b>	<b>(19,596)</b>	<b>(9,839)</b>	<b>9,757</b>	<b>(50)%</b>	<b>F</b>
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Expenditure from capital grants not as high as budgeted for.

<b>Cash flows from financing activities</b>	<b>(595)</b>	<b>(495)</b>	<b>100</b>	<b>(17)%</b>	<b>F</b>
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The value of leased plant & equipment was less than budgeted for.

## C Financial position

### C1 Assets we manage

#### C1-1 Cash and cash equivalents

\$ '000	2021	2020
<b>Cash and cash equivalents</b>		
Cash on hand and at bank	4,777	7,775
Cash-equivalent assets		
– Short-term deposits	3,950	–
<b>Total cash and cash equivalents</b>	<b>8,727</b>	<b>7,775</b>

#### Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	8,727	7,775
<b>Balance as per the Statement of Cash Flows</b>	<b>8,727</b>	<b>7,775</b>

#### Accounting policy

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

## C1-2 Restricted cash, cash equivalents and investments

\$ '000	2021		2020	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	8,727	–	7,775	–
<b>attributable to:</b>				
External restrictions	6,518	–	2,958	–
Unrestricted	2,209	–	4,817	–
	8,727	–	7,775	–

\$ '000	2021	2020
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### Details of restrictions

#### External restrictions – included in liabilities

Specific purpose unexpended grants – general fund	4,211	18
Specific purpose unexpended grants – water fund	–	42
Specific purpose unexpended grants – sewer fund	116	–
<b>External restrictions – included in liabilities</b>	<b>4,327</b>	<b>60</b>

#### External restrictions – other

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

Water fund	1,213	1,480
Sewer fund	624	551
Domestic waste management	354	867
<b>External restrictions – other</b>	<b>2,191</b>	<b>2,898</b>
<b>Total external restrictions</b>	<b>6,518</b>	<b>2,958</b>
<b>Total restrictions</b>	<b>6,518</b>	<b>2,958</b>

## C1-3 Receivables

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
<b>Purpose</b>				
Rates and annual charges	747	-	1,305	-
Interest and extra charges	221	-	603	-
User charges and fees	3,439	-	1,391	-
Government grants and subsidies	2,214	-	20	-
Net GST/PAYG receivable	1,524	-	1,072	-
Other debtors	6	-	-	-
<b>Total</b>	<b>8,151</b>	<b>-</b>	<b>4,391</b>	<b>-</b>
<b>Less: provision of impairment</b>				
Rates and annual charges	(650)	-	(740)	-
Interest and extra charges	(133)	-	(402)	-
User charges and fees	(100)	-	(188)	-
<b>Total provision for impairment – receivables</b>	<b>(883)</b>	<b>-</b>	<b>(1,330)</b>	<b>-</b>
<b>Total net receivables</b>	<b>7,268</b>	<b>-</b>	<b>3,061</b>	<b>-</b>
<b>Externally restricted receivables</b>				
<b>Water supply</b>				
– Rates and availability charges	690	-	1,019	-
<b>Sewerage services</b>				
– Rates and availability charges	94	-	156	-
– Other	17	-	16	-
<b>Total external restrictions</b>	<b>801</b>	<b>-</b>	<b>1,191</b>	<b>-</b>
<b>Unrestricted receivables</b>	<b>6,467</b>	<b>-</b>	<b>1,870</b>	<b>-</b>
<b>Total net receivables</b>	<b>7,268</b>	<b>-</b>	<b>3,061</b>	<b>-</b>

\$ '000	2021	2020
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year (calculated in accordance with AASB 139)	1,330	730
Movement in provisions recognised during the year	(447)	600
<b>Balance at the end of the year</b>	<b>883</b>	<b>1,330</b>

### Accounting policy

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

### Impairment

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

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

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

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

## C1-3 Receivables (continued)

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

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

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

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

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

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

Rates and annual charges outstanding are secured against the property.

## C1-4 Inventories

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
<b>Inventories at cost</b>				
Stores and materials	257	-	455	-
<b>Total inventories at cost</b>	<b>257</b>	<b>-</b>	<b>455</b>	<b>-</b>
<b>Total inventories</b>	<b>257</b>	<b>-</b>	<b>455</b>	<b>-</b>

### Accounting policy

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

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



## C1-5 Infrastructure, property, plant and equipment

By aggregated asset class	At 1 July 2020			Asset movements during the reporting period						At 30 June 2021		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>												
Capital work in progress	2,572	–	2,572	1,292	3,193	–	(146)	–	–	6,911	–	6,911
Plant and equipment	4,153	(2,525)	1,628	–	582	(191)	–	–	–	4,568	(2,550)	2,018
Furniture and fittings	17	–	17	–	–	(1)	–	–	–	17	(1)	16
<b>Land:</b>												
– Operational land	1,126	–	1,126	–	–	–	–	81	–	1,207	–	1,207
– Community land	523	–	523	–	–	–	–	–	–	523	–	523
<b>Infrastructure:</b>												
– Buildings – non-specialised	33,952	(21,582)	12,370	224	351	(826)	146	–	–	34,673	(22,408)	12,265
– Other structures	8,170	(5,354)	2,816	696	414	(262)	–	–	–	9,279	(5,615)	3,664
– Roads, bridges, footpaths	149,859	(32,500)	117,359	2,686	–	(1,858)	–	–	–	152,545	(34,358)	118,187
– Stormwater drainage	1,379	(685)	694	–	–	(25)	–	–	–	1,379	(710)	669
– Water supply network	45,568	(20,234)	25,334	167	384	(668)	–	(81)	225	46,455	(21,095)	25,360
– Sewerage network	6,182	(2,270)	3,912	13	–	(97)	–	–	23	6,240	(2,388)	3,852
<b>Reinstatement, rehabilitation and restoration assets - refer Note C3-5:</b>												
– Tip assets	488	(425)	63	–	–	(13)	–	–	–	487	(439)	48
<b>Total infrastructure, property, plant and equipment</b>	<b>253,989</b>	<b>(85,575)</b>	<b>168,414</b>	<b>5,078</b>	<b>4,924</b>	<b>(3,941)</b>	<b>–</b>	<b>–</b>	<b>248</b>	<b>264,284</b>	<b>(89,564)</b>	<b>174,720</b>

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

## C1-5 Infrastructure, property, plant and equipment (continued)

By aggregated asset class	At 1 July 2019			Asset movements during the reporting period							At 30 June 2020		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
<b>\$ '000</b>													
Capital work in progress	2,682	–	2,682	5,189	–	–	(5,299)	–	–	–	2,572	–	2,572
Plant and equipment	3,405	(2,400)	1,005	–	748	(125)	–	–	–	–	4,153	(2,525)	1,628
Furniture and fittings	–	–	–	–	17	–	–	–	–	–	17	–	17
<b>Land:</b>													
– Operational land	458	–	458	–	–	–	–	–	–	668	1,126	–	1,126
– Community land	523	–	523	–	–	–	–	–	–	–	523	–	523
<b>Infrastructure:</b>													
– Buildings – non-specialised	33,402	(20,730)	12,672	–	–	(852)	550	–	–	–	33,952	(21,582)	12,370
– Other structures	7,288	(5,123)	2,165	–	–	(231)	882	–	–	–	8,170	(5,354)	2,816
– Roads	151,083	(28,582)	122,501	–	–	(1,861)	3,820	–	(7,101)	–	149,859	(32,500)	117,359
– Stormwater drainage	1,379	(660)	719	–	–	(25)	–	–	–	–	1,379	(685)	694
– Water supply network	45,139	(19,598)	25,541	–	–	(636)	–	–	–	429	45,568	(20,234)	25,334
– Sewerage network	6,123	(2,184)	3,939	–	–	(86)	–	–	–	58	6,182	(2,270)	3,912
<b>Reinstatement, rehabilitation and restoration assets (refer Note C3-5):</b>													
– Tip assets	488	(398)	90	–	–	(26)	47	(47)	–	–	488	(425)	63
<b>Total infrastructure, property, plant and equipment</b>	<b>251,970</b>	<b>(79,675)</b>	<b>172,295</b>	<b>5,189</b>	<b>765</b>	<b>(3,842)</b>	<b>–</b>	<b>(47)</b>	<b>(7,101)</b>	<b>1,155</b>	<b>253,989</b>	<b>(85,575)</b>	<b>168,414</b>

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

## C1-5 Infrastructure, property, plant and equipment (continued)

### Accounting policy

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

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

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

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

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

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

<b>Plant and equipment</b>	Years	<b>Other equipment</b>	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	<b>Buildings</b>	
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
<b>Water and sewer assets</b>		<b>Stormwater assets</b>	
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		
<b>Transportation assets</b>		<b>Other infrastructure assets</b>	
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.

### 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.

## C1-5 Infrastructure, property, plant and equipment (continued)

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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.

## Externally restricted infrastructure, property, plant and equipment

\$ '000	as at 30/06/21			as at 30/06/20		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
<b>Water supply</b>						
Land						
– Operational land	81	–	81	81	–	81
Buildings	656	656	–	–	–	–
Infrastructure	46,455	21,095	25,360	45,568	20,235	25,333
<b>Total water supply</b>	<b>47,192</b>	<b>21,751</b>	<b>25,441</b>	<b>45,649</b>	<b>20,235</b>	<b>25,414</b>
<b>Sewerage services</b>						
WIP	601	–	601	69	–	69
Infrastructure	6,240	2,388	3,852	6,182	2,270	3,912
<b>Total sewerage services</b>	<b>6,841</b>	<b>2,388</b>	<b>4,453</b>	<b>6,251</b>	<b>2,270</b>	<b>3,981</b>
<b>Domestic waste management</b>						
Plant and equipment	874	554	320	874	509	365
<b>Total domestic waste management</b>	<b>874</b>	<b>554</b>	<b>320</b>	<b>874</b>	<b>509</b>	<b>365</b>
Total restricted infrastructure, property, plant and equipment	<b>54,907</b>	<b>24,693</b>	<b>30,214</b>	<b>52,774</b>	<b>23,014</b>	<b>29,760</b>

## C2 Leasing activities

### C2-1 Council as a lessee

Council has leases over vehicles, and IT equipment. Information relating to the leases in place and associated balances and transactions are provided below.

#### Plant & Vehicles

Lease Number	Lessor	Asset Class / Type	Leased Asset	Lease Type	Payment frequency	Annual Amount \$
L0001	Toyota Fleet	Plant and equipment	Landcruiser Prado	Ordinary	monthly	5,138
L0002	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	1,986
L0003	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	3,080
L0004	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	2,248
L0005	Toyota Fleet	Plant and equipment	RAV 4	Ordinary	monthly	7,195
L0006	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	4,860
L0007	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	5,043
L0008	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	5,219
L0009	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	12,012
L0010	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	4,928
L0011	Toyota Fleet	Plant and equipment	PRADO	Ordinary	monthly	6,658
L0012	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	7,608
L0013	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	4,858
L0014	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	19,166
L0015	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	16,547
L0016	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	20,192
L0017	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	22,989
L0018	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	21,684
L0019	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	10,542
L0020	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	20,971
L0021	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	17,106
L0022	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	20,482
L0023	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	6,786
L0024	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	6,786
L0025	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	6,786
L0026	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	6,786
L0027	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	13,960
L0028	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	17,088
L0029	Toyota Fleet	Plant and equipment	PRADO	Ordinary	monthly	13,458
L0030	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	10,730
L0031	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	11,576
L0032	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	7,152
L0033	Toyota Fleet	Plant and equipment	HILUX	Ordinary	monthly	7,400
Total Annual Payment						349,023

#### IT Equipment

Leases for IT equipment are generally for low value assets, except for significant items such as photocopiers. The leases are for between 1 and 3 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage. Total Annual Lease payments is approximately \$26,000.

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

### (a) Right of use assets

\$ '000	Plant & Equipment	Ready to use	Total
<b>2021</b>			
Opening balance at 1 July	457	–	457
Additions to right-of-use assets	334	–	334
Depreciation charge	(358)	–	(358)
<b>Balance at 30 June</b>	<b>433</b>	<b>–</b>	<b>433</b>
<b>2020</b>			
Adoption of AASB 16 at 1 July 2019 – first time lease recognition	242	–	242
Additions to right-of-use assets	465	–	465
Depreciation charge	(250)	–	(250)
<b>Balance at 30 June</b>	<b>457</b>	<b>–</b>	<b>457</b>

### (b) Lease liabilities

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Lease liabilities	308	133	137	309
<b>Total lease liabilities</b>	<b>308</b>	<b>133</b>	<b>137</b>	<b>309</b>

### (c) (i) The maturity analysis

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
<b>2021</b>					
Cash flows	308	133	–	441	441
<b>2020</b>					
Cash flows	261	185	–	446	446

### (ii) Lease liabilities relating to restricted assets

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
<b>Total lease liabilities relating to unrestricted assets</b>	<b>308</b>	<b>133</b>	<b>137</b>	<b>309</b>
<b>Total lease liabilities</b>	<b>308</b>	<b>133</b>	<b>137</b>	<b>309</b>

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

### (d) Income Statement

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

\$ '000	2021	2020
Interest on lease liabilities	9	7
Depreciation of right of use assets	358	250
Expenses relating to short-term leases	7	30
	<b>374</b>	<b>287</b>

### (e) Statement of Cash Flows

Total cash outflow for leases	349	250
	<b>349</b>	<b>250</b>

### Accounting policy

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

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

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

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of asset accounting policy.

The lease liability is initially recognised at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Council's incremental borrowing rate for a similar term with similar security is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is re-measured when there is a lease modification, or change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI).

Where the lease liability is re-measured, the right-of-use asset is adjusted to reflect the re-measurement.

#### Exceptions to lease accounting

Council has applied the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. Council recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

#### Leases at significantly below market value / Concessionary leases

Council has elected to measure the right of use asset arising from the concessionary leases at cost which is based on the associated lease liability at initial recognition.



## C2-2 Council as a lessor

### Operating leases

Council leases 1 vehicle only at a weekly amount of \$35 and also receives rental for staff accommodation.

\$ '000	2021	2020
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#### (i) Assets held as investment property

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

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

Lease income (excluding variable lease payments not dependent on an index or rate)	33	103
<b>Total income relating to operating leases for Council assets</b>	<b>33</b>	<b>103</b>

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

< 1 year	2	2
<b>Total undiscounted lease payments to be received</b>	<b>2</b>	<b>2</b>

### Accounting policy

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

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

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

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

## C3 Liabilities of Council

### C3-1 Payables

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
<b>Payables</b>				
Goods and services – operating expenditure	1,454	–	926	–
Goods and services – capital expenditure	97	–	–	–
Accrued expenses:				
– Salaries and wages	138	–	207	–
– Other expenditure accruals	5	–	–	–
Security bonds, deposits and retentions	2	–	2	–
<b>Total payables</b>	<b>1,696</b>	<b>–</b>	<b>1,135</b>	<b>–</b>
<b>Income received in advance</b>				
Payments received in advance	109	–	86	–
<b>Total income received in advance</b>	<b>109</b>	<b>–</b>	<b>86</b>	<b>–</b>
<b>Total payables</b>	<b>1,805</b>	<b>–</b>	<b>1,221</b>	<b>–</b>

#### Payables relating to restricted assets

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
<b>Total payables relating to unrestricted assets</b>	<b>1,805</b>	<b>–</b>	<b>1,221</b>	<b>–</b>
<b>Total payables</b>	<b>1,805</b>	<b>–</b>	<b>1,221</b>	<b>–</b>

#### Accounting policy

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

#### Payables

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

## C3-2 Contract Liabilities

\$ '000	Notes	2021 Current	2021 Non-current	2020 Current	2020 Non-current
<b>Grants and contributions received in advance:</b>					
Unexpended capital grants (to construct Council controlled assets)	(i)	4,327	-	60	-
<b>Total grants received in advance</b>		<b>4,327</b>	<b>-</b>	<b>60</b>	<b>-</b>
<b>Total contract liabilities</b>		<b>4,327</b>	<b>-</b>	<b>60</b>	<b>-</b>

### Notes

Council has received funding for the upgrade of a remote aerodrome at Tilpa, The funds received are under an enforceable contract which requires Council to undertake the upgrade works in accordance with the grant approval and the asset is under Council's control and recognised as part of Council's IPPE assets disclosed in Note 10a. The revenue is recognised over time as the upgrade works are completed, and the contract liability reflects the funds received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

### Contract liabilities relating to restricted assets

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
<b>Externally restricted assets</b>				
Sewer	116	-	-	-
Unspent grants held as contract liabilities (excl. Water & Sewer)	4,211	-	60	-
<b>Contract liabilities relating to externally restricted assets</b>	<b>4,327</b>	<b>-</b>	<b>60</b>	<b>-</b>
<b>Total contract liabilities relating to restricted assets</b>	<b>4,327</b>	<b>-</b>	<b>60</b>	<b>-</b>
<b>Total contract liabilities</b>	<b>4,327</b>	<b>-</b>	<b>60</b>	<b>-</b>

### Significant changes in contract liabilities

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

### Accounting policy

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

### C3-3 Borrowings

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Loans – secured <sup>1</sup>	150	–	165	141
<b>Total borrowings</b>	<b>150</b>	<b>–</b>	<b>165</b>	<b>141</b>

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

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

### C3-3 Borrowings (continued)

#### Borrowings relating to restricted assets

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
<b>Total borrowings relating to unrestricted assets</b>	<b>150</b>	<b>–</b>	<b>165</b>	<b>141</b>
<b>Total borrowings</b>	<b>150</b>	<b>–</b>	<b>165</b>	<b>141</b>

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

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

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

\$ '000	2020		Non-cash movements				2021
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	306	(156)	–	–	–	–	150
Lease liability (Note C2-1b)	446	(339)	334	–	–	–	441
<b>Total liabilities from financing activities</b>	<b>752</b>	<b>(495)</b>	<b>334</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>591</b>

\$ '000	2019		Non-cash movements				2020
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	455	(149)	–	–	–	–	306
Lease liability (Note C2-1b)	484	(503)	465	–	–	–	446
<b>Total liabilities from financing activities</b>	<b>939</b>	<b>(652)</b>	<b>465</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>752</b>

#### (b) Financing arrangements

\$ '000	2021	2020
<b>Total facilities</b>		
Credit cards/purchase cards	45	45
<b>Total financing arrangements</b>	<b>45</b>	<b>45</b>
<b>Drawn facilities</b>		
– Credit cards/purchase cards	8	8
<b>Total drawn financing arrangements</b>	<b>8</b>	<b>8</b>
<b>Undrawn facilities</b>		
– Credit cards/purchase cards	37	37
<b>Total undrawn financing arrangements</b>	<b>37</b>	<b>37</b>

#### Additional financing arrangements information

##### Breaches and defaults

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

## C3-3 Borrowings (continued)

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### **Security over loans**

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

### **Accounting policy**

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

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

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

### C3-4 Employee benefit provisions

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Annual leave	545	–	560	–
Long service leave	519	27	523	27
<b>Total employee benefit provisions</b>	<b>1,064</b>	<b>27</b>	<b>1,083</b>	<b>27</b>

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

\$ '000	2021	2020
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	614	798
	<b>614</b>	<b>798</b>

## C3-4 Employee benefit provisions (continued)

### Description of and movements in provisions

\$ '000	ELE provisions		
	Annual leave	Long service leave	Total
<b>2021</b>			
At beginning of year	560	550	1,110
Additional provisions	358	100	458
Amounts used (payments)	(373)	(104)	(477)
Total ELE provisions at end of year	545	546	1,091
<b>2020</b>			
At beginning of year	541	472	1,013
Additional provisions	19	–	19
Amounts used (payments)	–	(445)	(445)
Other	–	523	523
Total ELE provisions at end of year	560	550	1,110

### Accounting policy

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

### Short-term obligations

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

### Other long-term employee benefit obligations

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

### On-costs

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

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



## C3-5 Provisions

\$ '000	2021 Current	2021 Non-Current	2020 Current	2020 Non-Current
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	–	717	–	715
<b>Sub-total – asset remediation/restoration</b>	<b>–</b>	<b>717</b>	<b>–</b>	<b>715</b>
<b>Total provisions</b>	<b>–</b>	<b>717</b>	<b>–</b>	<b>715</b>
<b>Total provisions relating to unrestricted assets</b>				
	–	717	–	715
<b>Total provisions</b>	<b>–</b>	<b>717</b>	<b>–</b>	<b>715</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: Nil.

### Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Net carrying amount
<b>2021</b>		
At beginning of year	715	715
<b>Changes to provision:</b>		
Re-assessment of provision	2	2
Total other provisions at end of year	<b>717</b>	<b>717</b>
<b>2020</b>		
At beginning of year	762	762
Re-assessment of provision	(47)	(47)
Total other provisions at end of year	<b>715</b>	<b>715</b>

### Nature and purpose of provisions

#### Asset remediation

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

#### Accounting policy

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

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

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

#### Asset remediation – tips and quarries

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

### C3-5 Provisions (continued)

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The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

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

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

## C4 Reserves

### C4-1 Nature and purpose of reserves

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

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

## D Council structure

### D1 Results by fund

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

#### D1-1 Income Statement by fund

\$ '000	General 2021	Water 2021	Sewer 2021
<b>Income from continuing operations</b>			
Rates and annual charges	1,473	653	270
User charges and fees	9,174	457	1
Interest and investment revenue	25	23	3
Other revenues	582	32	207
Grants and contributions provided for operating purposes	13,677	–	–
Grants and contributions provided for capital purposes	6,721	–	300
Net gains from disposal of assets	63	–	–
Other income	33	–	–
<b>Total income from continuing operations</b>	<b>31,748</b>	<b>1,165</b>	<b>781</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	5,646	–	–
Materials and services	15,735	659	112
Borrowing costs	29	–	–
Depreciation, amortisation and impairment of non-financial assets	3,534	668	97
Other expenses	406	593	112
<b>Total expenses from continuing operations</b>	<b>25,350</b>	<b>1,920</b>	<b>321</b>
<b>Operating result from continuing operations</b>	<b>6,398</b>	<b>(755)</b>	<b>460</b>
<b>Net operating result for the year</b>	<b>6,398</b>	<b>(755)</b>	<b>460</b>
<b>Net operating result attributable to each council fund</b>	<b>6,398</b>	<b>(755)</b>	<b>460</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>(323)</b>	<b>(755)</b>	<b>160</b>

## D1-2 Statement of Financial Position by fund

\$ '000	General 2021	Water 2021	Sewer 2021
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6,774	1,213	740
Receivables	6,467	690	111
Inventories	257	–	–
<b>Total current assets</b>	<b>13,498</b>	<b>1,903</b>	<b>851</b>
<b>Non-current assets</b>			
Infrastructure, property, plant and equipment	144,826	25,441	4,453
Investments accounted for using the equity method	1,140	–	–
Right of use assets	433	–	–
<b>Total non-current assets</b>	<b>146,399</b>	<b>25,441</b>	<b>4,453</b>
<b>TOTAL ASSETS</b>	<b>159,897</b>	<b>27,344</b>	<b>5,304</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	1,696	–	–
Income received in advance	109	–	–
Contract liabilities	4,211	–	116
Lease liabilities	308	–	–
Borrowings	150	–	–
Employee benefit provision	1,064	–	–
<b>Total current liabilities</b>	<b>7,538</b>	<b>–</b>	<b>116</b>
<b>Non-current liabilities</b>			
Lease liabilities	133	–	–
Employee benefit provision	27	–	–
Provisions	717	–	–
<b>Total non-current liabilities</b>	<b>877</b>	<b>–</b>	<b>–</b>
<b>TOTAL LIABILITIES</b>	<b>8,415</b>	<b>–</b>	<b>116</b>
<b>Net assets</b>	<b>151,482</b>	<b>27,344</b>	<b>5,188</b>
<b>EQUITY</b>			
Accumulated surplus	114,508	10,251	2,249
Revaluation reserves	36,974	17,093	2,939
<b>Council equity interest</b>	<b>151,482</b>	<b>27,344</b>	<b>5,188</b>
<b>Total equity</b>	<b>151,482</b>	<b>27,344</b>	<b>5,188</b>

## D2 Interests in other entities

\$ '000	Council's share of net assets	
	2021	2020
<b>Council's share of net assets</b>		
<b>Net share of interests in joint ventures and associates using the equity method – assets</b>		
Joint Arrangement	1,140	1,359
<b>Total net share of interests in joint ventures and associates using the equity method – assets</b>	<b>1,140</b>	<b>1,359</b>
<b>Total Council's share of net assets</b>	<b>1,140</b>	<b>1,359</b>

### D2-1 Interests in joint arrangements

#### Net carrying amounts – Council's share

\$ '000	Nature of relationship	Place of business	Interest in ownership		2021	2020
			2021	2020		
Far West Joint Organisation			25.0%	25.0%	1,140	1,359
<b>Total carrying amounts – material joint ventures</b>					<b>1,140</b>	<b>1,359</b>

#### Material 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.

#### Summarised financial information for joint ventures

\$ '000	Far West Joint Organisation	
	2021	2020
<b>Statement of financial position</b>		
<b>Current assets</b>		
Cash and cash equivalents	4,511	5,371
Other current assets	110	50
<b>Non-current assets</b>	<b>–</b>	<b>36</b>
<b>Current liabilities</b>		
Other current liabilities	60	19
<b>Net assets</b>	<b>4,561</b>	<b>5,438</b>
<b>Statement of comprehensive income</b>		
Income	(860)	(406)
<b>Profit/(loss) from continuing operations</b>	<b>(860)</b>	<b>(406)</b>
<b>Profit/(loss) for the period</b>	<b>(860)</b>	<b>(406)</b>
<b>Total comprehensive income</b>	<b>(860)</b>	<b>(406)</b>
<b>Share of income – Council (%)</b>	<b>25.0%</b>	<b>25.0%</b>
<b>Profit/(loss) – Council (\$)</b>	<b>(215)</b>	<b>(102)</b>
<b>Total comprehensive income – Council (\$)</b>	<b>(215)</b>	<b>(102)</b>
<b>Summarised Statement of cash flows</b>		
Cash flows from operating activities	(860)	(406)
Cash flows from investing activities	–	(592)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(860)</b>	<b>(998)</b>

continued on next page ...

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

\$ '000	Far West Joint Organisation	
	2021	2020
<b>Reconciliation of the carrying amount</b>		
Opening net assets (1 July)	5,438	5,844
Profit/(loss) for the period	(860)	(406)
<b>Closing net assets</b>	<b>4,578</b>	<b>5,438</b>
<b>Council's share of net assets (%)</b>	<b>25.0%</b>	25.0%
<b>Council's share of net assets (\$)</b>	<b>1,140</b>	1,359

**Accounting policy**

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.

## E Risks and accounting uncertainties

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

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

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

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

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

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

\$ '000	Carrying value 2021	Carrying value 2020	Fair value 2021	Fair value 2020
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Cash and cash equivalents	8,727	7,775	8,727	7,775
Receivables	7,268	3,061	7,268	3,061
<b>Total financial assets</b>	<b>15,995</b>	<b>10,836</b>	<b>15,995</b>	<b>10,836</b>
<b>Financial liabilities</b>				
Payables	1,696	1,135	1,696	1,135
Loans/advances	150	306	150	306
<b>Total financial liabilities</b>	<b>1,846</b>	<b>1,441</b>	<b>1,846</b>	<b>1,441</b>

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

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



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

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

\$ '000	2021	2020
The impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.		
Impact of a 1% movement in interest rates		
– Equity / Income Statement	90	78
Impact of a 10% movement in price of investments		
– Equity / Income Statement	–	–

### (b) Credit risk

Pre-amble

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

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
<b>2021</b>						
Gross carrying amount	–	330	417	–	–	747
<b>2020</b>						
Gross carrying amount	–	913	392	–	–	1,305

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

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

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

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
<b>2021</b>						
Gross carrying amount	3,160	715	122	211	3,196	7,404
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	7.28%	3.14%
<b>ECL provision</b>	–	–	–	–	233	233

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

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2020						
Gross carrying amount	589	321	–	–	2,176	3,086
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	27.11%	19.12%
ECL provision	–	–	–	–	590	590

### (c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				1 - 5 Years	> 5 Years		
2021							
Trade/other payables	0.00%	2	1,694	–	–	1,696	1,696
Loans and advances	2.77%	–	150	–	–	150	150
<b>Total financial liabilities</b>		<b>2</b>	<b>1,844</b>	<b>–</b>	<b>–</b>	<b>1,846</b>	<b>1,846</b>
2020							
Trade/other payables	0.00%	2	1,133	–	–	1,135	1,135
Loans and advances	2.76%	–	165	141	–	306	306
<b>Total financial liabilities</b>		<b>2</b>	<b>1,298</b>	<b>141</b>	<b>–</b>	<b>1,441</b>	<b>1,441</b>

## E2-1 Fair value measurement

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

- Infrastructure, property, plant and equipment
- 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).

\$ '000	Notes	Fair value measurement hierarchy							
		Date of latest valuation		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2021	2020	2021	2020	2021	2020	2021	2020
<b>Recurring fair value measurements</b>									
<b>Infrastructure, property, plant and equipment</b> <span style="float: right;">C1-5</span>									
		30/06/19		<b>2,018</b>	1,628	–	–	<b>2,018</b>	1,628
		30/06/20		<b>16</b>	17	–	–	<b>16</b>	17
		30/06/19		<b>1,207</b>	1,126	–	–	<b>1,207</b>	1,126
		30/06/18		–	–	<b>523</b>	523	<b>523</b>	523
		30/06/18		<b>12,265</b>	12,370	–	–	<b>12,265</b>	12,370
		30/06/19		–	–	<b>3,664</b>	2,816	<b>3,664</b>	2,816
		30/06/20		–	–	<b>118,187</b>	117,359	<b>118,187</b>	117,359
		30/06/19		–	–	<b>669</b>	694	<b>669</b>	694
		30/06/17		–	–	<b>25,360</b>	25,334	<b>25,360</b>	25,334
		30/06/17		–	–	<b>3,852</b>	3,912	<b>3,852</b>	3,912
				<b>15,506</b>	15,141	<b>152,255</b>	150,638	<b>167,761</b>	165,779

## E2-1 Fair value measurement (continued)

### Valuation techniques

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

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

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

##### 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 structures

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 2020.

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.

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.

## E2-1 Fair value measurement (continued)

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### 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 01/07/2019.

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.

### 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 01/07/2019.

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.

## E2-1 Fair value measurement (continued)

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

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

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

	Valuation technique/s	Unobservable inputs
<b>Infrastructure, property, plant and equipment</b>		
Other structures	Current replacement cost	Replacement cost Asset condition rating Remaining useful life
Roads, bridges, footpaths and bulk earthworks	Current replacement cost	Replacement cost Asset condition rating Remaining useful life
Stormwater drainage	Current replacement cost	Replacement cost Asset condition rating Remaining useful life
Water supply network	Current replacement cost	Replacement cost Asset condition rating Remaining useful life
Sewerage network	Current replacement cost	Replacement cost Asset condition rating Remaining useful life
Community Land	Current replacement cost	Replacement cost Asset condition rating

## E2-1 Fair value measurement (continued)

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

\$ '000	Crown / Community land		Other structures		Roads, bridges, footpaths		Stormwater drainage	
	2021	2020	2021	2020	2021	2020	2021	2020
<b>Opening balance</b>	<b>523</b>	523	<b>2,816</b>	2,165	<b>117,359</b>	122,501	<b>694</b>	719
<b>Total gains or losses for the period</b>								
<b>Other movements</b>								
Purchases (GBV)	-	-	<b>1,110</b>	-	<b>2,686</b>	-	-	-
Depreciation and impairment	-	-	<b>(262)</b>	(231)	<b>(1,858)</b>	(1,861)	<b>(25)</b>	(25)
Other movement (WIP transfers)	-	-	-	882	-	3,820	-	-
Other movement (Asset revaluation)	-	-	-	-	-	(7,101)	-	-
<b>Closing balance</b>	<b>523</b>	523	<b>3,664</b>	2,816	<b>118,187</b>	117,359	<b>669</b>	694

\$ '000	Water supply network		Sewerage network		Total	
	2021	2020	2021	2020	2021	2020
<b>Opening balance</b>	<b>25,333</b>	25,541	<b>3,912</b>	3,939	<b>150,637</b>	<b>155,388</b>
Transfers from/(to) another asset class	<b>(81)</b>	-	-	-	<b>(81)</b>	-
Purchases (GBV)	<b>551</b>	-	<b>14</b>	-	<b>4,361</b>	-
Depreciation and impairment	<b>(668)</b>	(636)	<b>(97)</b>	(85)	<b>(2,910)</b>	<b>(2,838)</b>
Other movement (WIP transfers)	-	428	-	-	-	<b>5,130</b>
Other movement (Asset revaluation)	<b>225</b>	-	<b>23</b>	58	<b>248</b>	<b>(7,043)</b>
<b>Closing balance</b>	<b>25,360</b>	25,333	<b>3,852</b>	3,912	<b>152,255</b>	<b>150,637</b>

### Highest and best use

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

## E3-1 Contingencies

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

### LIABILITIES NOT RECOGNISED

#### 1. Guarantees

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

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

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

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

##### *Description of the funding arrangements.*

Pooled Employers are required to pay future service employer contributions and past service employer contributions to the Fund.

The future service employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current future service employer contribution rates are::

Division B	1.9 times member contributions for non-180 Point Members; Nil for 180 Point Members*
Division C	2.5% salaries
Division D	1.64 times member contributions

\* For 180 Point Members, Employers are required to contribute 7% of salaries to these members' accumulation accounts, which are paid in addition to members' defined benefits.

The past service contribution for each Pooled Employer is a share of the total past service contributions of \$40.0 million for 1 July 2019 to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2019. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

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

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

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

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2021 was \$22,672.30. The last valuation of the Scheme was performed by Richard Boyfield FIAA on 30 June 2019, and covers the period ended 30 June 2020.



## E3-1 Contingencies (continued)

The amount of additional contributions included in the total employer contribution advised above is \$22,630.86. Council's expected contribution to the plan for the next annual reporting period is \$27,010.32.

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

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

\* 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 *	3.5% per annum
Increase in CPI	2.5% per annum

\* Plus promotional increases

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

### (ii) Statewide Limited

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

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

The future realisation and finalisation of claims incurred but not reported to 30/6 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

### (i) Third party claims

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

## E3-1 Contingencies (continued)

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

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

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

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

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

## ASSETS NOT RECOGNISED

### (i) Land under roads

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

### (ii) Infringement notices/fines

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

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

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

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

## F People and relationships

### F1 Related party disclosures

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

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

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

\$ '000	2021	2020
<b>Compensation:</b>		
Short-term benefits	469	600
Post-employment benefits	45	55
Other long-term benefits	5	9
<b>Total</b>	<b>519</b>	<b>664</b>

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

\$ '000	2021	2020
The aggregate amount of Administrator fees and associated expenses included in materials and services expenses in the Income Statement are:		
Administrator fee	200	–
Other Administrator expenses	27	–
<b>Total</b>	<b>227</b>	<b>–</b>

## F2 Other relationships

### F2-1 Audit fees

\$ '000	2021	2020
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
<b>Auditors of the Council - NSW Auditor-General:</b>		
<b>(i) Audit and other assurance services</b>		
Audit and review of financial statements	55	63
<b>Remuneration for audit and other assurance services</b>	<b>55</b>	<b>63</b>
<b>Total Auditor-General remuneration</b>	<b>55</b>	<b>63</b>
<b>Non NSW Auditor-General audit firms</b>		
<b>(i) Audit and other assurance services</b>		
Audit and review of financial statements	88	–
<b>Remuneration for audit and other assurance services</b>	<b>88</b>	<b>–</b>
<b>Total remuneration of non NSW Auditor-General audit firms</b>	<b>88</b>	<b>–</b>
<b>Total audit fees</b>	<b>143</b>	<b>63</b>

## G Other matters

### G1-1 Statement of Cash Flows information

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

\$ '000	2021	2020
<b>Net operating result from Income Statement</b>	<b>6,103</b>	6,093
<b>Adjust for non-cash items:</b>		
Depreciation and amortisation	4,299	4,092
Net losses/(gains) on disposal of assets	(63)	–
Share of net (profits)/losses of associates/joint ventures using the equity method	219	102
<b>+/- Movement in operating assets and liabilities and other cash items:</b>		
Decrease/(increase) in receivables	(3,760)	(719)
Increase/(decrease) in provision for impairment of receivables	(447)	600
Decrease/(increase) in inventories	198	62
Increase/(decrease) in payables	528	–
Increase/(decrease) in other accrued expenses payable	(64)	566
Increase/(decrease) in other liabilities	23	(4)
Increase/(decrease) in contract liabilities	4,267	60
Increase/(decrease) in provision for employee benefits	(19)	97
Increase/(decrease) in other provisions	2	(47)
<b>Net cash provided from/(used in) operating activities from the Statement of Cash Flows</b>	<b>11,286</b>	10,902

## G2-1 Commitments

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### Capital commitments (exclusive of GST)

Council made no material forward commitments during the year, other than completion of major road improvements to Pooncarie Road which are largely funded by capital grants.

## G3 Statement of performance measures

### G3-1 Statement of performance measures – consolidated results

\$ '000	Amounts 2021	Indicator 2021	Indicator 2020	Benchmark
<b>1. Operating performance ratio</b>				
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>(762)</b>	<b>(2.86)%</b>	12.81%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>26,610</b>			
<b>2. Own source operating revenue ratio</b>				
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>12,933</b>	<b>38.46%</b>	52.08%	> 60.00%
Total continuing operating revenue <sup>1</sup>	<b>33,631</b>			
<b>3. Unrestricted current ratio</b>				
Current assets less all external restrictions	<b>8,933</b>	<b>3.29x</b>	3.95x	> 1.50x
Current liabilities less specific purpose liabilities	<b>2,713</b>			
<b>4. Debt service cover ratio</b>				
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>3,566</b>	<b>6.81x</b>	17.59x	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>524</b>			
<b>5. Rates and annual charges outstanding percentage</b>				
Rates and annual charges outstanding	<b>185</b>	<b>5.72%</b>	21.10%	< 10.00%
Rates and annual charges collectable	<b>3,233</b>			
<b>6. Cash expense cover ratio</b>				
Current year's cash and cash equivalents plus all term deposits	<b>8,727</b>	<b>4.21 mths</b>	4.41 mths	> 3.00 mths
Monthly payments from cash flow of operating and financing activities	<b>2,071</b>			

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

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



## G3-2 Statement of performance measures by fund

\$ '000	General Indicators <sup>3</sup>		Water Indicators		Sewer Indicators		Benchmark
	2021	2020	2021	2020	2021	2020	
<b>1. Operating performance ratio</b>							
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>(0.67)%</b>	15.19%	<b>(64.81)%</b>	(50.63)%	<b>33.26%</b>	27.81%	> 0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>							
<b>2. Own source operating revenue ratio</b>							
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>35.62%</b>	50.10%	<b>100.00%</b>	100.00%	<b>61.59%</b>	69.42%	> 60.00%
Total continuing operating revenue <sup>1</sup>							
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions	<b>3.29x</b>	3.95x	∞	∞	∞	∞	> 1.50x
Current liabilities less specific purpose liabilities							
<b>4. Debt service cover ratio</b>							
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>6.48x</b>	16.93x	∞	∞	∞	∞	> 2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
<b>5. Rates and annual charges outstanding percentage</b>							
Rates and annual charges outstanding	<b>(14.14)%</b>	27.90%	<b>29.00%</b>	0.00%	<b>4.13%</b>	0.00%	< 10.00%
Rates and annual charges collectable							
<b>6. Cash expense cover ratio</b>							
Current year's cash and cash equivalents plus all term deposits	<b>3.51</b>	3.41	<b>10.09</b>	19.66	<b>37.31</b>	39.36	> 3.00
Monthly payments from cash flow of operating and financing activities	<b>mths</b>	mths	<b>mths</b>	mths	<b>mths</b>	mths	mths

(1) - (2) Refer to Notes at Note 25a above.

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

## H Additional Council disclosures (unaudited)

### H1-1 Council information and contact details

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**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](http://www.centraldarling.nsw.gov.au)

**Email:** [council@centraldring.nsw.gov.au](mailto:council@centraldring.nsw.gov.au)

**Officers**

**General Manager**

Greg Hill

**Responsible Accounting Officer**

Gordon Seeto

**Public Officer**

Gordon Seeto

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

In my opinion:

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

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

## Basis for Opinion

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

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

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

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

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

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

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

## **Other Information**

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

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

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

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

I have nothing to report in this regard.

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

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

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

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

My objectives are to:

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

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

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

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

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



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

29 October 2021  
SYDNEY



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

Contact: Manuel Moncada  
Phone no: 02 9275 7333  
Our ref: D2123485/1711

29 October 2021

Dear Administrator

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

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

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

## **SIGNIFICANT AUDIT ISSUES AND OBSERVATIONS**

### **Rural fire-fighting equipment not recognised in the financial statements**

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

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

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

## INCOME STATEMENT

### Operating result

	2021	2020	Variance
	\$m	\$m	%
Rates and annual charges revenue	2.4	2.3	↑ 4.3
Grants and contributions revenue	20.7	14.3	↑ 44.8
Operating result from continuing operations	6.1	6.1	0
Net operating result before capital grants and contributions	(0.9)	3.4	↓ 126.5

Council's operating result (\$6.1 million including the effect of depreciation and amortisation expense of \$4.3 million) was consistent with the 2019–20 result.

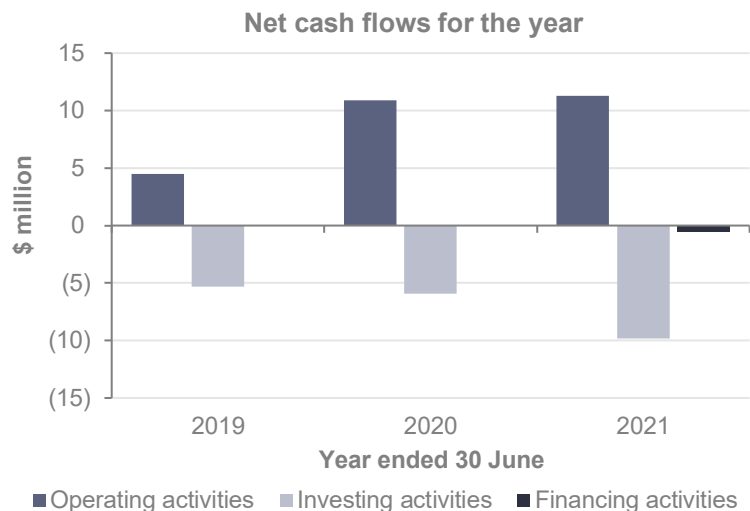
The net operating result before capital grants and contributions (deficit of \$0.9 million) was \$4.3 million lower than the 2019–20 result. This was mainly due to a reduction in revenue from Transport for NSW works.

Rates and annual charges revenue of \$2.4 million increased by \$0.1 million (4.3 per cent) in 2020–2021.

Grants and contributions revenue (\$20.7 million) increased by \$6.4 million (44.8 per cent) in 2020–2021. This was mainly due to receipts of funding for storm/flood damage and additional revenue for 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 increased by \$952,000 to \$8.7 million at the close of the year.



# FINANCIAL POSITION

## Cash and investments

Cash and investments	2021	2020	Commentary
	\$m	\$m	
<b>Total cash, cash equivalents and investments</b>	<b>8.7</b>	<b>7.8</b>	<ul style="list-style-type: none"> <li>External restrictions include unspent specific purpose grants and domestic waste management charges, and water and sewerage funds</li> </ul>
Restricted cash and investments:			<ul style="list-style-type: none"> <li>Council has not set aside any internally restricted funds</li> </ul>
• External restrictions	6.5	3.0	
• Internal restrictions	-	-	

# PERFORMANCE

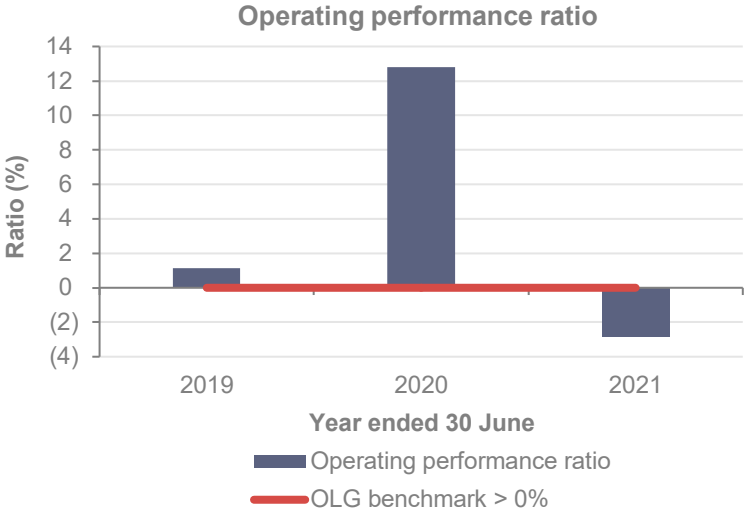
## Performance measures

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

### Operating performance ratio

The ‘operating performance ratio’ measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by OLG is greater than zero per cent.

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

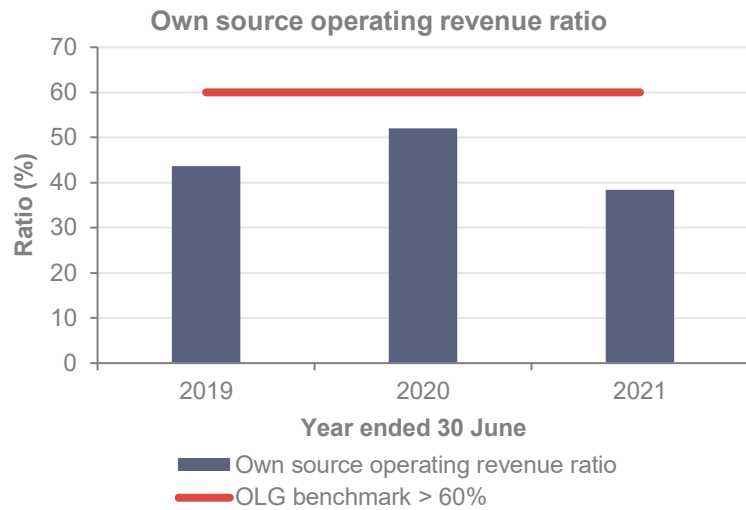




### Own source operating revenue ratio

The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.

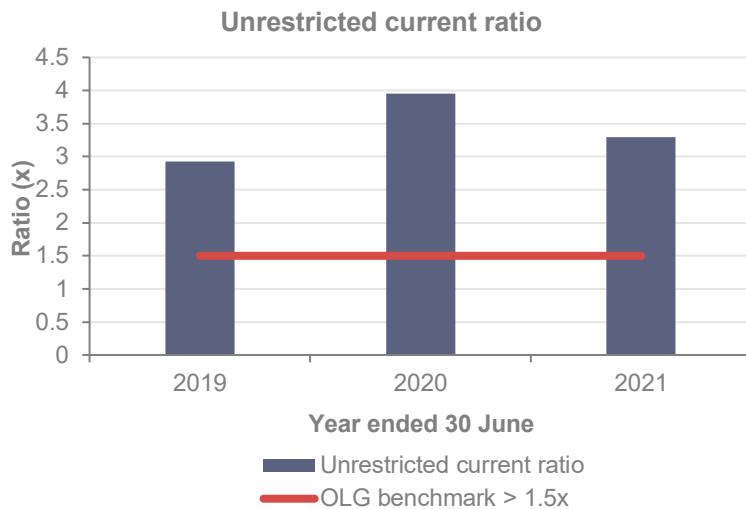
The Council did not meet the OLG benchmark for the current reporting period.



### Unrestricted current ratio

The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.

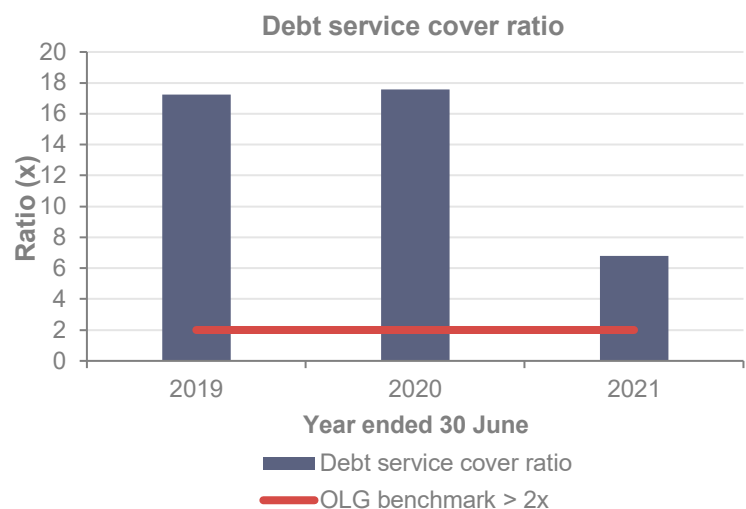
The Council exceeded the OLG benchmark for the current reporting period.



### Debt service cover ratio

The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.

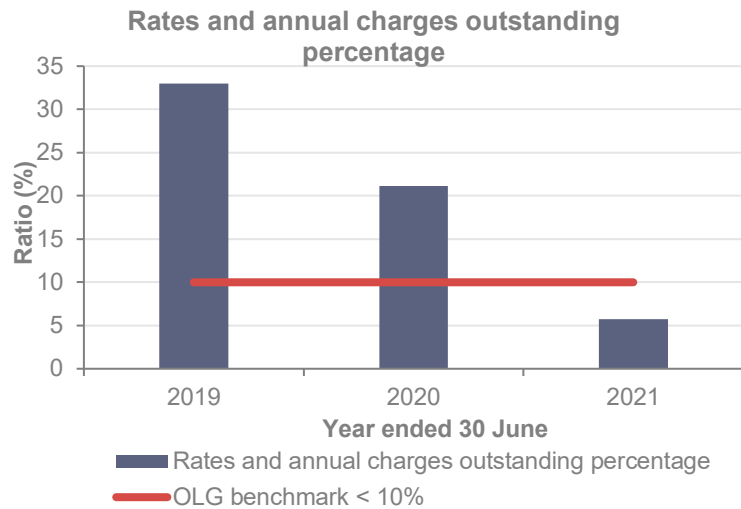
The Council exceeded the OLG benchmark for the current reporting period.



## Rates and annual charges outstanding percentage

The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.

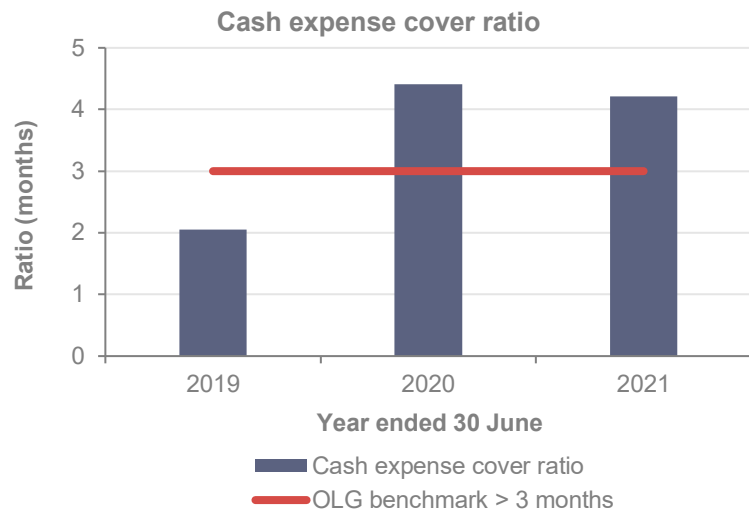
The Council met the OLG benchmark for the current reporting period.



## Cash expense cover ratio

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.

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



## Infrastructure, property, plant and equipment renewals

- Council's asset renewal additions for the year were \$5.1 million compared \$5.2 million for the prior year
- The level of asset renewals during the year represented 131 percent of the total depreciation expense (\$3.9 million) for the year.

## OTHER MATTERS

### Legislative compliance

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

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

The Council's:

- accounting records were maintained in a manner and form that facilitated the preparation and the effective audit of the general purpose financial statements
- staff provided all accounting records and information relevant to the audit.

A handwritten signature in black ink, appearing to read 'Manuel Moncada', written in a cursive style.

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

cc: Greg Hill, General Manager  
Jay Nankivell, Chair of Audit, Risk and Improvement Committee  
Kiersten Fishburn, Secretary of the Department of Planning, Industry and Environment

# Central Darling Shire Council

## SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2021

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# Central Darling Shire Council

## Special Purpose Financial Statements

for the year ended 30 June 2021

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<b>Auditor's Report on Special Purpose Financial Statements</b>	<b>11</b>

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### Background

- i. These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- ii. The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- iii. For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).

- iv. In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

# Central Darling Shire Council

## Special Purpose Financial Statements

for the year ended 30 June 2021

### 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 22 September 2021.



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Robert Stewart  
Administrator  
22 September 2021



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Greg Hill  
General Manager  
22 September 2021



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Gordon Seeto  
Responsible Accounting Officer  
22 September 2021

## Central Darling Shire Council

### Income Statement of water supply business activity

for the year ended 30 June 2021

\$ '000	2021	2020
<b>Income from continuing operations</b>		
Access charges	653	641
User charges	457	345
Interest	23	53
Other income	32	–
<b>Total income from continuing operations</b>	<b>1,165</b>	<b>1,039</b>
<b>Expenses from continuing operations</b>		
Materials and services	659	929
Depreciation, amortisation and impairment	668	636
Other expenses	593	–
<b>Total expenses from continuing operations</b>	<b>1,920</b>	<b>1,565</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(755)</b>	<b>(526)</b>
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(755)</b>	<b>(526)</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>(755)</b>	<b>(526)</b>
<b>Surplus (deficit) after tax</b>	<b>(755)</b>	<b>(526)</b>
<b>Plus accumulated surplus</b>	<b>11,006</b>	11,532
<b>Plus adjustments for amounts unpaid:</b>		
<b>Closing accumulated surplus</b>	<b>10,251</b>	11,006
<b>Return on capital %</b>	<b>(3.0)%</b>	(2.1)%
<b>Subsidy from Council</b>	<b>1,134</b>	750
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	(755)	(526)
<b>Surplus for dividend calculation purposes</b>	<b>–</b>	<b>–</b>
<b>Potential dividend calculated from surplus</b>	<b>–</b>	<b>–</b>

## Central Darling Shire Council

### Income Statement of sewerage business activity

for the year ended 30 June 2021

\$ '000	2021	2020
<b>Income from continuing operations</b>		
Access charges	270	243
Fees	1	–
Interest	3	9
Grants and contributions provided for non-capital purposes	–	68
Other income	207	–
<b>Total income from continuing operations</b>	<b>481</b>	<b>320</b>
<b>Expenses from continuing operations</b>		
Materials and services	112	145
Depreciation, amortisation and impairment	97	86
Other expenses	112	–
<b>Total expenses from continuing operations</b>	<b>321</b>	<b>231</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>160</b>	<b>89</b>
Grants and contributions provided for capital purposes	300	43
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>460</b>	<b>132</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>460</b>	<b>132</b>
Less: corporate taxation equivalent [based on result before capital]	(42)	(24)
<b>Surplus (deficit) after tax</b>	<b>418</b>	<b>108</b>
<b>Plus accumulated surplus</b>	<b>1,789</b>	<b>1,657</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	42	24
<b>Closing accumulated surplus</b>	<b>2,249</b>	<b>1,789</b>
<b>Return on capital %</b>	<b>3.6%</b>	<b>2.2%</b>
<b>Subsidy from Council</b>	<b>–</b>	<b>–</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	418	108
Less: capital grants and contributions (excluding developer contributions)	(300)	(43)
<b>Surplus for dividend calculation purposes</b>	<b>118</b>	<b>65</b>
<b>Potential dividend calculated from surplus</b>	<b>59</b>	<b>33</b>



## Central Darling Shire Council

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

as at 30 June 2021

\$ '000	2021	2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,213	1,522
Receivables	690	1,019
<b>Total current assets</b>	<b>1,903</b>	<b>2,541</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	25,441	25,414
<b>Total non-current assets</b>	<b>25,441</b>	<b>25,414</b>
<b>Total assets</b>	<b>27,344</b>	<b>27,955</b>
<b>Net assets</b>	<b>27,344</b>	<b>27,955</b>
<b>EQUITY</b>		
Accumulated surplus	10,251	11,006
Revaluation reserves	17,093	16,949
<b>Total equity</b>	<b>27,344</b>	<b>27,955</b>

## Central Darling Shire Council

### Statement of Financial Position of sewerage business activity

as at 30 June 2021

\$ '000	2021	2020
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	740	551
Receivables	111	172
<b>Total current assets</b>	<b>851</b>	<b>723</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	4,453	3,981
<b>Total non-current assets</b>	<b>4,453</b>	<b>3,981</b>
<b>Total assets</b>	<b>5,304</b>	<b>4,704</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Contract liabilities	116	–
<b>Total current liabilities</b>	<b>116</b>	<b>–</b>
<b>Total liabilities</b>	<b>116</b>	<b>–</b>
<b>Net assets</b>	<b>5,188</b>	<b>4,704</b>
<b>EQUITY</b>		
Accumulated surplus	2,249	1,789
Revaluation reserves	2,939	2,915
<b>Total equity</b>	<b>5,188</b>	<b>4,704</b>

## Note – Significant Accounting Policies

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

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

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

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

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

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

### National Competition Policy

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

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

### Declared business activities

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

#### Category 1

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

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.

### 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):

## Note – Significant Accounting Policies (continued)

### Notional rate applied (%)

#### Corporate income tax rate – 26%

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 26%.

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

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

The rate applied of 26% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

### Local government rates and charges

A calculation of the equivalent rates and charges for all Category 1 businesses has been applied to all assets owned, or exclusively used by the business activity.

### Loan and debt guarantee fees

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

#### (i) Subsidies

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

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

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

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

The rate of return is calculated as follows:

## Note – Significant Accounting Policies (continued)

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### Operating result before capital income + interest expense

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 1.49% at 30/6/21.

#### (iii) Dividends

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

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

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

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

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



**INDEPENDENT AUDITOR'S REPORT**  
**Report on the special purpose financial statements**  
**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 Statement by Councillors and Management, the Income Statement of each Declared Business Activity for the year ended 30 June 2021, the Statement of Financial Position of each Declared Business Activity as at 30 June 2021 and the Significant accounting policies note.

The Declared Business Activities of the Council are:

- Water Supply Business Activity
- Sewerage Business Activity.

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

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

## Basis for Opinion

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

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

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

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

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

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

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

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

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

## **Other Information**

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

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

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

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

I have nothing to report in this regard.

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

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

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

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

My objectives are to:

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

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

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

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

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

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

Manuel Moncada

Delegate of the Auditor-General for New South Wales

29 October 2021  
SYDNEY



# Central Darling Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2021

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# Central Darling Shire Council

## Special Schedules

for the year ended 30 June 2021

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Permissible income for general rates	3
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## Central Darling Shire Council

### Permissible income for general rates

\$ '000	Notes	Calculation 2020/21	Calculation 2021/22
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	835	857
Plus or minus adjustments <sup>2</sup>	b	(3)	5
<b>Notional general income</b>	c = a + b	<b>832</b>	<b>862</b>
<b>Permissible income calculation</b>			
Or rate peg percentage	e	2.60%	2.00%
Or plus rate peg amount	i = e x (c + g)	22	17
<b>Sub-total</b>	k = (c + g + h + i + j)	<b>854</b>	<b>879</b>
Plus (or minus) last year's carry forward total	l	3	-
<b>Sub-total</b>	n = (l + m)	<b>3</b>	<b>-</b>
<b>Total permissible income</b>	o = k + n	<b>857</b>	<b>879</b>
Less notional general income yield	p	857	884
<b>Catch-up or (excess) result</b>	q = o - p	<b>-</b>	<b>(6)</b>
<b>Carry forward to next year <sup>3</sup></b>	t = q + r + s	<b>-</b>	<b>(6)</b>

#### Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the Valuation of Land Act 1916.
- (3) 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 2022.

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

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

### **Basis for Opinion**

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

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

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

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

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

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

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

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

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

## Other Information

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

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

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

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

I have nothing to report in this regard.

## The Councillors' Responsibilities for the Schedule

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

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

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

My objectives are to:

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

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

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

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

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

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

Manuel Moncada

Delegate of the Auditor-General for New South Wales

29 October 2021  
SYDNEY

## Central Darling Shire Council

## Report on infrastructure assets as at 30 June 2021

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	Estimated cost to bring to the agreed level of service set by Council	2020/21 Required maintenance <sup>a</sup>	2020/21 Actual maintenance			1	2	3	4	5	
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000						
<b>Buildings</b>	Buildings	2,015	–	120	120	12,265	34,673	5.0%	65.0%	25.0%	5.0%	0.0%	
	Buildings – non-specialised	403	–	180	180	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	Buildings – specialised	78	–	60	60	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	Community Services	1,066	–	10	10	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	Council Housing	2,210	–	250	259	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	Water	364	–	10	10	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	Economic Activity	676	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	Transport	13	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	Amenities / Toilets	33	–	70	70	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	<b>Sub-total</b>		<b>6,858</b>	<b>–</b>	<b>700</b>	<b>709</b>	<b>12,265</b>	<b>34,673</b>	<b>5.0%</b>	<b>65.0%</b>	<b>25.0%</b>	<b>5.0%</b>	<b>0.0%</b>
<b>Other structures</b>	Other structures	–	–	–	64	3,514	4,229	20.0%	0.0%	80.0%	0.0%	0.0%	
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>64</b>	<b>3,514</b>	<b>4,229</b>	<b>20.0%</b>	<b>0.0%</b>	<b>80.0%</b>	<b>0.0%</b>	<b>0.0%</b>	
<b>Roads</b>	Roads	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	Sealed roads	780	–	400	1,305	34,034	49,845	0.0%	60.0%	20.0%	20.0%	0.0%	
	Unsealed roads	7,121	–	3,200	5,654	58,058	61,639	0.0%	50.0%	25.0%	25.0%	0.0%	
	Bridges	260	–	15	–	13,371	19,510	0.0%	100.0%	0.0%	0.0%	0.0%	
	Footpaths	520	–	45	40	1,049	1,861	0.0%	25.0%	50.0%	25.0%	0.0%	
	Other road assets	260	–	100	42	2,388	4,872	0.0%	50.0%	50.0%	0.0%	0.0%	
	Bulk earthworks	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%	
	Kerb and Gutter	260	–	25	7	2,235	3,467	0.0%	60.0%	20.0%	20.0%	0.0%	
	Aerodromes	250	–	180	130	7,052	11,351	0.0%	75.0%	25.0%	0.0%	0.0%	
	Other road assets (incl. bulk earth works)	–	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	
	<b>Sub-total</b>	<b>9,451</b>	<b>–</b>	<b>3,965</b>	<b>7,178</b>	<b>118,187</b>	<b>152,545</b>	<b>0.0%</b>	<b>61.4%</b>	<b>21.2%</b>	<b>17.4%</b>	<b>0.0%</b>	
	Water supply network	3,200	–	400	137	5,131	13,896	0.0%	0.0%	25.0%	50.0%	25.0%	
	Other	–	–	–	–	57	57	100.0%	0.0%	0.0%	0.0%	0.0%	
Treatment Plants	5,500	–	500	333	8,129	9,512	0.0%	0.0%	0.0%	50.0%	50.0%		
Bores	39	–	30	–	326	1,195	0.0%	0.0%	100.0%	0.0%	0.0%		

# Central Darling Shire Council

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

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard \$ '000	Estimated cost to bring to the agreed level of service set by Council \$ '000	2020/21 Required maintenance <sup>a</sup> \$ '000	2020/21 Actual maintenance \$ '000	Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
<b>Water supply network</b>	Weirs, Storage Tanks, Dams	8,000	–	150	93	7,538	17,035	0.0%	0.0%	0.0%	0.0%	100.0%
<b>Water supply network</b>	Pump Station	585	–	175	7	4,179	4,760	0.0%	0.0%	0.0%	100.0%	0.0%
	<b>Sub-total</b>	<b>17,324</b>	<b>–</b>	<b>1,255</b>	<b>570</b>	<b>25,360</b>	<b>46,455</b>	<b>0.1%</b>	<b>0.0%</b>	<b>10.1%</b>	<b>35.4%</b>	<b>54.4%</b>
<b>Sewerage network</b>	Sewerage network	442	–	40	10	870	1,304	0.0%	0.0%	0.0%	100.0%	0.0%
	Other	160	–	125	42	264	428	0.0%	0.0%	0.0%	100.0%	0.0%
	Pumping Station	600	–	95	60	1,922	3,503	30.0%	0.0%	0.0%	100.0%	(30.0%)
	Treatment Plants	100	–	20	–	796	1,005	0.0%	0.0%	0.0%	100.0%	0.0%
	<b>Sub-total</b>	<b>1,302</b>	<b>–</b>	<b>280</b>	<b>112</b>	<b>3,852</b>	<b>6,240</b>	<b>16.8%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>(16.8%)</b>
<b>Stormwater drainage</b>	Stormwater drainage	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Other	–	–	–	93	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Box Culverts	4	–	4	4	12	38	0.0%	0.0%	50.0%	50.0%	0.0%
	Pipes	12	–	5	5	348	858	0.0%	0.0%	50.0%	50.0%	0.0%
	Pits	8	–	5	5	80	126	0.0%	0.0%	50.0%	50.0%	0.0%
	Outlets	25	–	10	10	16	20	0.0%	0.0%	50.0%	50.0%	0.0%
	Gross Pollutant Traps	15	–	7	7	213	337	0.0%	0.0%	50.0%	50.0%	0.0%
	<b>Sub-total</b>	<b>64</b>	<b>–</b>	<b>31</b>	<b>124</b>	<b>669</b>	<b>1,379</b>	<b>0.0%</b>	<b>0.0%</b>	<b>50.0%</b>	<b>50.0%</b>	<b>0.0%</b>
<b>Open space / recreational assets</b>	Swimming pools	550	–	550	145	–	2,800	0.0%	0.0%	0.0%	0.0%	100.0%
	Other	–	–	–	–	–	–	0.0%	0.0%	0.0%	0.0%	0.0%
	Recreation	300	–	150	96	150	2,250	0.0%	0.0%	0.0%	0.0%	100.0%
	<b>Sub-total</b>	<b>850</b>	<b>–</b>	<b>700</b>	<b>241</b>	<b>150</b>	<b>5,050</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>
	<b>Total – all assets</b>	<b>35,849</b>	<b>–</b>	<b>6,931</b>	<b>8,998</b>	<b>163,997</b>	<b>250,571</b>	<b>1.5%</b>	<b>46.4%</b>	<b>19.8%</b>	<b>20.6%</b>	<b>11.7%</b>

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



# Central Darling Shire Council

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

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### Infrastructure asset condition assessment 'key'

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

## Central Darling Shire Council

### Report on infrastructure assets as at 30 June 2021

#### Infrastructure asset performance indicators (consolidated) \*

\$ '000	Amounts 2021	Indicator 2021	Indicator 2020	Benchmark
<b>Buildings and infrastructure renewals ratio</b>				
Asset renewals <sup>1</sup>	5,078	135.92%	88.81%	>= 100.00%
Depreciation, amortisation and impairment	3,736			
<b>Infrastructure backlog ratio</b>				
Estimated cost to bring assets to a satisfactory standard	35,849	20.98%	40.43%	< 2.00%
Net carrying amount of infrastructure assets	170,908			
<b>Asset maintenance ratio</b>				
Actual asset maintenance	8,998	129.82%	73.12%	> 100.00%
Required asset maintenance	6,931			
<b>Cost to bring assets to agreed service level</b>				
Estimated cost to bring assets to an agreed service level set by Council	-	0.00%	0.00%	
Gross replacement cost	250,571			

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

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

## Central Darling Shire Council

### Report on infrastructure assets as at 30 June 2021

#### Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2021	2020	2021	2020	2021	2020	
<b>Buildings and infrastructure renewals ratio</b>							
Asset renewals <sup>1</sup>							
Depreciation, amortisation and impairment	<b>164.86%</b>	110.41%	<b>25.00%</b>	0.00%	<b>13.40%</b>	0.00%	>= 100.00%
<b>Infrastructure backlog ratio</b>							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	<b>12.21%</b>	35.33%	<b>68.31%</b>	68.38%	<b>29.24%</b>	33.28%	< 2.00%
<b>Asset maintenance ratio</b>							
Actual asset maintenance							
Required asset maintenance	<b>154.11%</b>	75.00%	<b>45.42%</b>	71.55%	<b>40.00%</b>	43.93%	> 100.00%
<b>Cost to bring assets to agreed service level</b>							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	<b>0.00%</b>	0.00%	<b>0.00%</b>	0.00%	<b>0.00%</b>	0.00%	

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