



BUSINESS PAPER

Ordinary Council Meeting

17 August 2021

ETHICAL DECISION MAKING & CONFLICT OF INTEREST

A Guiding Checklist for Councillors, Officers & Community Committees

ETHICAL DECISION MAKING

- Is the decision or conduct legal?
- Is it consistent with Government policy, Council's objectives and Code of Conduct?
- What will the outcome be for you, your colleagues, the Council, anyone else?
- Does it raise a conflict of Interest?
- Could your possible conflict of interest lead to private gain or loss at public expense?
- Can the decision be justified in terms of public interest?
- Would it withstand public scrutiny?

CONFLICT OF INTEREST

A Conflict of Interest is a clash between private interests and public duty. There are two types of conflict: Pecuniary – regulated by the Local Government Act and Department of Local Government and, Non-pecuniary – regulated by Codes of Conduct, ICAC, Ombudsman, Department of Local Government (advice only).

THE TEST FOR CONFLICT OF INTEREST

- Is it likely I could be influenced by personal interest in carrying out my public duty?
- Would a fair and reasonable person believe I could be so influenced?
- Conflict of interest is closely tied to the layperson's definition of "corruption" – using public office for private gain.
- Important to consider public perceptions of whether you have a conflict of interest.

IDENTIFYING PROBLEMS

- 1 Do I have private interest affected by a matter I am officially involved in?
- 2 Is my official role one of influence or perceived influence over the matter?
- 3 Do my private interests conflict with my official role?

Whilst seeking advice is generally useful, the ultimate decision rests with the person concerned.

AGENCY ADVICE

Officers of the following agencies are available during Office Hours to discuss the obligations placed on Councillors, Officers and Community Committee members by various pieces of legislation, regulation and codes.

Contact	Phone	Email
Narrandera Shire Council	02-6959 5510	council@narrandera.nsw.gov.au
ICAC	02-8281 5999	icac@icac.nsw.gov.au
Toll Free	1800 463 909	
Department of Local Government	02-4428 4100	olg@olg.nsw.gov.au
NSW Ombudsman	02-8286 1000	nswombo@ombo.nsw.gov.au
Toll Free	1800 451 524	

COMMUNITY STRATEGIC PLAN

Themes

Agenda Section 16 ~ Our Community

- 1.1 To live in a healthy community and one that demonstrates a positive attitude
- 1.2 To advocate for quality educational and cultural opportunities
- 1.3 To live in an inclusive and tolerant community
- 1.4 To feel connected and safe

Agenda Section 17 ~ Our Environment

- 2.1 To value, care for and protect our natural environment
- 2.2 To effectively manage and beautify our public spaces
- 2.3 To live in a community where there are sustainable practices

Agenda Section 18 ~ Our Economy

- 3.1 To encourage new business and industry that can be sustained
- 3.2 To support local business and industry to grow and prosper
- 3.3 To strongly promote our Shire and to improve its attractiveness
- 3.4 To grow our population

Agenda Section 19 ~ Our Infrastructure

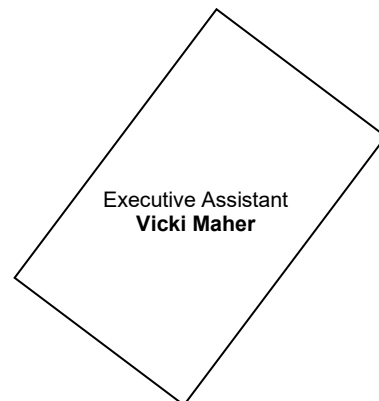
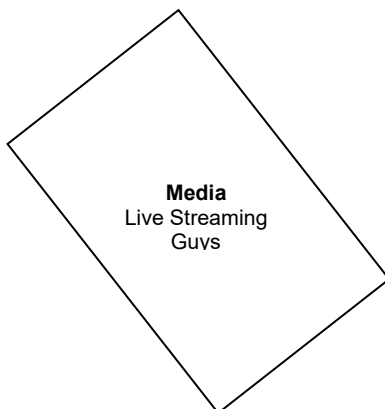
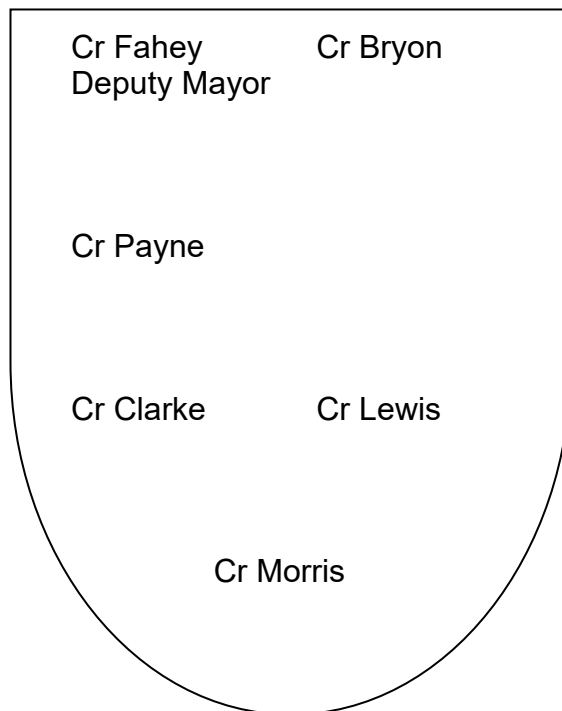
- 4.1 To have an improved and adequately maintained road network
- 4.2 To improve, maintain and value-add to our public and recreational infrastructure
- 4.3 To improve and enhance our water and sewer networks
- 4.4 To have a say when planning for new facilities or refurbishing existing facilities

Agenda Section 20 ~ Our Civic Leadership

- 5.1 To have a Council that demonstrates effective management consistently
- 5.2 To have a progressive Council that communicates and engages well with all of the community and is a role model for inclusivity
- 5.3 To have a community and a Council that works collaboratively with harmony, respect and understanding

SEATING

General Manager George Cowan	MAYOR Cr Kschenka	Deputy General Manager Infrastructure Shane Wilson	Deputy General Manager Corporate & Community Martin Hiscox
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**Notice is hereby given that the Ordinary Meeting of the Narrandera
Shire Council will be held in the Council Chambers on:
Tuesday 17 August 2021 at 2pm**

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- 1 **ACKNOWLEDGEMENT OF COUNTRY**
- 2 **HOUSE KEEPING**
- 3 **DISCLOSURE OF POLITICAL DONATIONS**
- 4 **PRESENT**
- 5 **APOLOGIES**
- 6 **DECLARATIONS OF INTEREST**
- 7 **CONFIRMATION OF MINUTES**

Ordinary Council Meeting - 20 July 2021



MINUTES

Ordinary Council Meeting

20 July 2021

Unconfirmed

**MINUTES OF NARRANDERA SHIRE COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE COUNCIL CHAMBERS
ON TUESDAY, 20 JULY 2021**

The Mayor declared the Public Forum opened at **1.30pm** and welcomed the Councillors, Staff, Members of the Gallery and those following on the Live Streaming.

1 ACKNOWLEDGEMENT OF COUNTRY

I would like to acknowledge the Wiradjuri people who are the Traditional Custodians of the Land. I would also like to pay respect to their people both past and present and extend that respect to other Aboriginal Australians who are present.

2 HOUSE KEEPING

Advice provided of Council's Work, Health and Safety (WHS) Evacuation Plan and location of the Amenities.

Public Forum

Members of the community who submitted application to speak at the 20 July 2021 Public Forum on Items listed in the days Agenda:

Melanie Beer – Via Zoom - Items 17.2 and 17.5

Bob Manning – In Person - Items 17.5

Philip Beaumont – In Person - Item 17.5 had lodged application, however did not attend.

The Mayor declared the Ordinary Meeting opened at **2pm**

3 DISCLOSURE OF POLITICAL DONATIONS

Advice provided to those present, of the legislative requirement for Disclosure of Political Donations:

The Environmental Planning and Assessment Act 1979, Section 147 requires a person submitting planning applications or submissions regarding a planning application, to disclose any reportable political donation and/or gifts to any local Councillor or employee of Council. Reportable political donations include those of, or above, \$1,000. The Disclosure Statement forms are available on Councils website or from the Customer Service Centre and must be lodged in accordance with the Act.

There were no Disclosure of Political Donations received by the Chairperson.

4 PRESENT

Cr Neville Kschenka, Cr David Fahey OAM, Cr Narelle Payne, Cr Jenny Clarke OAM, Cr Kevin Morris, Cr Tracey Lewis, Cr Barbara Bryon

In Attendance

George Cowan (General Manager), Shane Wilson (Deputy General Manager Infrastructure), Martin Hiscox (Deputy General Manager Corporate & Community), Vicki Maher (Minute Taker)

5 APOLOGIES

Nil

6 DECLARATIONS OF INTEREST

Nil

7 CONFIRMATION OF MINUTES**RESOLUTION 21/142**

Moved: Cr David Fahey OAM
Seconded: Cr Narelle Payne

That the minutes of the Ordinary Council Meeting held on 15 June 2021 be confirmed.

CARRIED

8 MAYORAL REPORT**8.1 MAYORAL REPORT JUNE / JULY 2021****RESOLUTION 21/143**

Moved: Cr Neville Kschenka
Seconded: Cr Narelle Payne

That Council:

1. Receives and notes the Mayoral Report for June / July 2021.

CARRIED

Minute Silence

At this point, the Mayor acknowledged the passing of Former Mayor and Narrandera Shire Councillor; Shirley Walsh (Hocking) and lead a Minute Silence in her honour.

MOTION BRING ITEM 17.5 FORWARD

RESOLUTION 21/144

Moved: Cr Narelle Payne
 Seconded: Cr Barbara Bryon

That Council endorse moving Item 17.5 – Tender 20/21-11 Lease for Management of the Lake Talbot Water Park, forward in the Agenda.

CARRIED

FORESHADOW MOTION AGAINST 17.5

MOTION

Moved: Cr Narelle Payne

Signalling a Foreshadow Motion for Item 17.5 – Tender 20/21-11 Lease for Management of the Lake Talbot Water Park.

SUSPENSION OF STANDING ORDERS

RESOLUTION 21/145

Moved: Cr Narelle Payne
 Seconded: Cr David Fahey OAM

A motion was moved that Council suspend standing orders for relaxed discussion on tem 17.5 – Tender 20/21-11 Lease for Management of the Lake Talbot Water Park.

CARRIED

RESUMPTION OF STANDING ORDERS

RESOLUTION 21/146

Moved: Cr Tracey Lewis
 Seconded: Cr Barbara Bryon

A motion was moved that Council resume standing orders.

CARRIED

17.5 TENDER T-20/21-11 LEASE FOR MANAGEMENT OF THE LAKE TALBOT WATER PARK**RESOLUTION 21/147**

Moved: Cr Narelle Payne

Seconded: Cr Kevin Morris

That Council:

1. Accepts the tender offer by Leisure & Recreation Group Pty Ltd for the Lease for Management of the Lake Talbot Water Park for a five-year period (with option of five further years), for the lump sum amount of \$1,056,272.73 (excl GST), in accordance with Section 55 of the Local Government Act 1993.

LOST

FORESHADOW MOTION - TENDER T-20/21-11 LEASE FOR MANAGEMENT OF THE LAKE TALBOT WATER PARK**FORESHADOW MOTION**

Moved: Cr Narelle Payne

Seconded: Cr David Fahey OAM

That Council:

1. Not Accept the tender offer by Leisure & Recreation Group Pty Ltd for the Lease for Management of the Lake Talbot Water Park for a five-year period (with option of five further years), for the lump sum amount of \$1,056,272.73 (excl GST), in accordance with Section 55 of the Local Government Act 1993.
2. Accept the tender offer by Escapold Logistics for the Lease for Management of the Lake Talbot Water Park for a five-year period (with option of five further years), for the lump sum amount of \$1,527,272.00 (excl GST), in accordance with Section 55 of the Local Government Act 1993.
3. For the following reason; Escapold Logistics have exhibited excellent service in all aspects over the past 15 years.
4. A report be submitted to the 17 August 2021 Ordinary Council Meeting identifying possible funding sources..

AMENDMENT**MOTION**

Moved: Cr Tracey Lewis

That Council:

1. Extend current Lease for 12 months providing opportunity to capture a full 12 months expenses and incomes following the recent redevelopment of Lake Talbot Water Park.

Lapsed because the Chair ruled it out of order.

LAPSED

MOTION - TENDER T-20/21-11 LEASE FOR MANAGEMENT OF THE LAKE TALBOT WATER PARK**RESOLUTION 21/148**

Moved: Cr Narelle Payne

Seconded: Cr David Fahey OAM

That:

1. Council Not Accept the tender offer by Leisure & Recreation Group Pty Ltd for the Lease for Management of the Lake Talbot Water Park for a five-year period (with option of five further years), for the lump sum amount of \$1,056,272.73 (excl GST), in accordance with Section 55 of the Local Government Act 1993.
2. Council Accept the tender offer by Escapold Logistics for the Lease see for Management of the Lake Talbot Water Park for a five-year period (with option of five further years), for the lump sum amount of \$1,527,272.00 (excl GST), in accordance with Section 55 of the Local Government Act 1993.
3. For the following reason; Escapold Logistics have exhibited excellent service in all aspects over the past 15 years.
4. A report be submitted to the 17 August 2021 Ordinary Council Meeting identifying possible funding sources..

CARRIED**9 QUESTION WITH NOTICE**

Nil

10 NOTICES OF RESCISSION

Nil

11 NOTICES OF MOTION

Nil

12 COUNCILLOR REPORTS**12.1 2021 AUSTRALIAN NATIONAL GENERAL ASSEMBLY****RESOLUTION 21/149**

Moved: Cr David Fahey OAM

Seconded: Cr Narelle Payne

That Council:

1. Receives and notes the attendance at the 2021 Australian National General

Assembly (ANGA) report.

2. Considers fitting three (3) bins for blokes in male public toilets within the Narrandera LGA and contacting Bins for Blokes so Narrandera Shire Council could be added to their data base.
3. Contacts the Australian Cyber Security Centre (ACSC) regarding obtaining free resources for residents both in paper form and digitally and have them available for residents.
4. Considers joining the Cities Power Partnership to show their actions and support on climate change.
5. Considers endorsing the ICAN Cities Appeal with a resolution worded as printed within this report.

CARRIED

13 COMMITTEE REPORTS

13.1 MINUTES - PARKSIDE COTTAGE MUSEUM COMMITTEE - 7 JUNE 2021

RESOLUTION 21/150

Moved: Cr Barbara Bryon

Seconded: Cr Jenny Clarke OAM

That Council:

1. Receives and note the Minutes of the Parkside Cottage Museum Committee held on Monday 7 June 2021.

CARRIED

13.2 MINUTES - GRONG GRONG COMMUNITY COMMITTEE - 10 JUNE 2021

RESOLUTION 21/151

Moved: Cr Barbara Bryon

Seconded: Cr Jenny Clarke OAM

That Council:

1. Receives and notes the Minutes of the Grong Grong Community Committee held on Thursday 10 June 2021.

CARRIED

13.3 MINUTES - NARRANDERA DOMESTIC VIOLENCE ADVISORY COMMITTEE - 17 JUNE 2021**RESOLUTION 21/152**

Moved: Cr Tracey Lewis

Seconded: Cr Barbara Bryon

That Council:

1. Receives and note the Minutes of the Narrandera Domestic Violence Advisory Committee held on Thursday 17 June 2021.
2. Agrees that the existing banners are to be hung in conjunction with the new banners, and they are to be located at Gillenbah and within East Street in October 2021.
3. Notes that the Committee has agreed to a new banner design with wording "We say Domestic Violence break the silence" with a purple ribbon.
4. Community Development Manager to liaise with Economic Development Officer to coordinate the production of the banners, with the cost to be covered by the Economic Development Officer budget.

CARRIED

13.4 MINUTES - SPORTS FACILITIES ADVISORY COMMITTEE - 17 JUNE 2021**RESOLUTION 21/153**

Moved: Cr Narelle Payne

Seconded: Cr Tracey Lewis

That Council:

1. Receives and notes the Minutes of the Sports Facilities Advisory Committee held on Thursday 17 June 2021.

CARRIED

13.5 MINUTES - LAKE TALBOT ENVIRONS ADVISORY COMMITTEE - 17 JUNE 2021**RESOLUTION 21/154**

Moved: Cr Narelle Payne

Seconded: Cr Tracey Lewis

That Council:

1. Receives and notes Minutes of the Lake Talbot Environs Advisory Committee held on Thursday 17 June 2021.

CARRIED**13.6 MINUTES - ECONOMIC TASKFORCE COMMITTEE (OPEN) - 6 JULY 2021****RESOLUTION 21/155**

Moved: Cr Barbara Bryon

Seconded: Cr Jenny Clarke OAM

That Council receives and notes the:

1. Minutes of the Economic Taskforce Committee meeting held 6 July 2021.
2. Tourism Stimulus Projects (non-confidential) as at July 2021.
3. Economic Stimulus Projects (non-confidential) as at July 2021.
4. Economic Development Strategy (non-confidential) as at July 2021.
5. Change wetlands banner to one that includes a picture that is more identifiable to Narrandera.

CARRIED**13.7 MINUTES - AUDIT, RISK AND IMPROVEMENT COMMITTEE - 7 JULY 2021****RESOLUTION 21/156**

Moved: Cr Narelle Payne

Seconded: Cr David Fahey OAM

That Council:

1. Receives and notes the Minutes of the Audit, Risk and Improvement Committee held on Wednesday 7 July 2021.

CARRIED**13.8 MINUTES - YOUTH ADVISORY COUNCIL - 15 JUNE 2021****RESOLUTION 21/157**

Moved: Cr Narelle Payne

Seconded: Cr Tracey Lewis

That Council:

1. Receives and notes Minutes of the Youth Advisory Council held on Tuesday 15 June 2021.

CARRIED

14 OUR COMMUNITY**14.1 APPLICATION TO WAIVE FEES - GOLDEN BOOT TOUCH FOOTBALL CARNIVAL****RESOLUTION 21/158**

Moved: Cr Barbara Bryon
Seconded: Cr Narelle Payne

That Council:

1. Approves the request to fund the ground hire charge of \$491.00 for use of the Narrandera Sportsground for the 2021 Police Charity Golden Boot Touch Football Carnival from the Mayor and General Manager Financial Assistance funding.

CARRIED

14.2 DRAFT YOUTH STRATEGY**RESOLUTION 21/159**

Moved: Cr Tracey Lewis
Seconded: Cr David Fahey OAM

The Council:

1. Reviews and endorses the Draft Narrandera Shire Youth Strategy as presented for the purpose of public exhibition for a period of 21 days seeking community comment.
2. Should no submissions be received from the community at the conclusion of the exhibition period, that the Narrandera Shire Youth Strategy as presented be deemed as adopted.

CARRIED

14.3 FINANCIAL ASSISTANCE REQUEST - WAGGA REA HORSE TRIALS COMMITTEE**RESOLUTION 21/160**

Moved: Cr Narelle Payne
Seconded: Cr Jenny Clarke OAM

That Council:

1. Approves the request for financial assistance of \$4,940 from REA Wagga Horse Trials Committee – Narrandera Horse Trials event from the Events Activities and Promotion Expense budget.

CARRIED

15 OUR ENVIRONMENT

Nil

16 OUR ECONOMY**16.1 MOUNTAIN BIKE PARK AT ROCKY WATERHOLES****RESOLUTION 21/161**

Moved: Cr Jenny Clarke OAM

Seconded: Cr Tracey Lewis

That Council:

1. Receives, notes the Concept Plan prepared by Natural Trails as a way forward for the development of the Rocky Waterholes Mountain Bike Trails;
2. Reallocates \$150,000 from the existing Sale of Water Reserve to the Rocky Waterholes Mountain Bike Trail project to provide for the required 25% cash contribution in accordance with the requirements of the NSW Regional Tourism Activation Fund-Stream 1;
3. Makes provision in the 2022/2023 budget for trail maintenance \$10,000.

CARRIED**16.2 PROPOSED POLICY - SMALL BUSINESS INCENTIVE SCHEME****RESOLUTION 21/162**

Moved: Cr Tracey Lewis

Seconded: Cr Narelle Payne

That Council:

1. Adopts in principle the proposed Small Business Scheme Policy (POL010) subject to satisfying the provisions of Section 356 of the NSW Local Government Act 1993.
2. Amends the Operating Plan and Delivery Plan and budget to enable provisions of Sec 356(2) of the NSW Local Government Act 1993 to be implemented which removes the need to advertise in each instance when financial assistance under Policy POL010 is to be considered. In the meantime, any applications for assistance under this policy will need to be advertised in accordance with Sec 356(1) of the NSW Local Government Act 1993.
3. Provides \$10,000 as a funding pool for 2021/2022 to assist any businesses that qualify for assistance under the scheme in accordance with the policy.
4. Endorses the proposed Small Business Scheme Policy (POL010) as presented for the purpose of public exhibition for a period of 21 days seeking community comment.
5. Should no submissions be received from the community at the conclusion of the exhibition period, that the Small Business Scheme Policy (POL010) as presented be

deemed as adopted.

CARRIED

16.3 SERVICE NSW PARTNERSHIP AGREEMENT

RESOLUTION 21/163

Moved: Cr Barbara Bryon

Seconded: Cr Narelle Payne

That Council:

1. Delegates authority to the General Manager to enter into an agreement with Service NSW;
2. Authorises any necessary documents to be executed under the Common Seal of the Council.

CARRIED

17 OUR INFRASTRUCTURE

17.1 NARRANDERA DESTINATION AND DISCOVERY HUB ENDORSEMENT OF DESIGN

RESOLUTION 21/164

Moved: Cr Tracey Lewis

Seconded: Cr Jenny Clarke OAM

That Council:

1. Endorses the design for the Narrandera Destination and Discovery Hub.
2. Undertakes public consultation for the design of the Narrandera Destination and Discovery Hub for 21 days.

CARRIED

Cr Bryon recorded her vote as Against the Motion.

17.2 TENDER T-20/21-09 CLEANING OF COUNCIL BUILDINGS AND PUBLIC TOILETS

RESOLUTION 21/165

Moved: Cr Kevin Morris

Seconded: Cr David Fahey OAM

That Council:

1. Accepts the tender offer by Peopleworks Cleaning Services for the cleaning services of Council buildings and public toilets for a three-year period (with option of two further years), for the lump sum amount of \$356,654.29 (excl GST), in accordance with Section 55 of the Local Government Act 1993.

CARRIED

Councillors Lewis, Clarke and Payne recorded their votes as Against the Motion.

17.3 TENDER T-20/21-10 PROVISION OF SECURITY AND PATROL SERVICES

RESOLUTION 21/166

Moved: Cr Jenny Clarke OAM

Seconded: Cr David Fahey OAM

That Council:

1. Accepts the tender offer by Narrandera Security Services for the provision of security and patrol services for a three year period (with option of two further years), for the lump sum amount of \$165,240.00 (excl GST), in accordance with Section 55 of the Local Government Act 1993.

CARRIED

17.4 TENDER T-20/21-12 KERBSIDE WASTE AND RECYCLING COLLECTIONS CONTRACT

RESOLUTION 21/167

Moved: Cr Narelle Payne

Seconded: Cr Barbara Bryon

That Council:

1. Accepts the tender offer by Cleanaway Pty Ltd for the weekly kerbside collection of domestic waste and the fortnightly kerbside collection of recyclables for a five-year period (with option of three further years), for an annual lump sum amount of \$323,433.74 (excl GST and subject to standard Rise & Fall), in accordance with Section 55 of the Local Government Act 1993.
2. Authorises the General Manager, or his delegate, to negotiate the rollout of the new Kerbside Waste and Recycling Collections Contract.

CARRIED

Item 17.5 has been considered in an earlier section.

17.6 ADOPTION OF NEW ROAD NAMES

RESOLUTION 21/168

Moved: Cr Barbara Bryon

Seconded: Cr Narelle Payne

That Council:

1. Supports the proposed road name as provided by the developer of the subdivision and seeks concurrence from the Geographical Names Board to allocate the following name to the road servicing the 12-lot subdivision of Lots 5, 6, 8, 9 DP129551:
 - (a) Daly Road – that roadway from the intersection with River Street and Saw Mill Road west to the eastern boundary of Lot 3 DP129551 and then part of Lot 3 DP129551.
2. Commences the consultation process as required by the Roads Act 1993 for the proposed naming of Daly Road.
3. Consults with the developer and approaches the Aboriginal Elders Liaison Group for suggestions on a suitable name that reflects the concepts of a hill for that roadway from the intersection of the proposed Daly Road south within the current Lots 5, 6, 8, 9 DP129551.

CARRIED

18 OUR CIVIC LEADERSHIP

18.1 POLICY REVIEW - POL008 FINANCIAL ASSISTANCE PROGRAM

RESOLUTION 21/169

Moved: Cr David Fahey OAM

Seconded: Cr Barbara Bryon

That Council:

1. Endorses the proposed policy titled Financial Assistance Program as presented and place the document on public exhibition for 28 days seeking community comment;
2. Resolves that, should no submissions be received during the exhibition period, the policy be considered as adopted and implemented.

CARRIED

18.2 PROPOSED LICENCE AGREEMENT - AXICOM PTY LTD**RESOLUTION 21/170**

Moved: Cr Narelle Payne

Seconded: Cr Tracey Lewis

That Council:

1. Endorses the proposed licence agreement with Axicom Pty Ltd for an additional 21 square metres of land adjacent to the high-level water reservoir off Watermain Street, Narrandera commencing from the date of execution by the Mayor and the General Manager and concluding 30 April 2027.

CARRIED

18.3 ABORIGINAL LAND CLAIMS - STAKEHOLDER COMMENTS SOUGHT**RESOLUTION 21/171**

Moved: Cr Tracey Lewis

Seconded: Cr Barbara Bryon

That Council:

1. Acknowledges the 46 claims currently being processed and notes the individual responses to the criteria about lawful use, lawful occupation and is the land required for an essential public purpose;
2. Provides individual responses for each claim, with supporting documentation where applicable, to the Aboriginal Claims Assessment Team by 31 July 2021.

CARRIED

18.4 FORMALISING COUNCIL INVOLVEMENT IN MANAGING THREE AREAS OF CROWN LAND AND APPLYING TO BE CROWN LAND MANAGER FOR ANOTHER LOCATION**RESOLUTION 21/172**

Moved: Cr Tracey Lewis

Seconded: Cr Narelle Payne

That Council:

1. Resolves to apply for a licence across part of three areas of Crown Land managed by the NSW Department of Planning, Industry and Environment
 - Reserve 86360 – Lot 344 DP 1016914 being ‘Town Beach’ or ‘Koori Beach’
 - Reserve 17806 – Lot 129 DP 754552 being ‘Buckingbong Reserve’

- Reserves 482 & 24577 – Lot 7007 DP 1051327 being 'Five Mile Reserve'
2. Resolves to apply to the Minister for Water, Property and Housing to become the Crown Land Manager for Lot 7313 DP 1159952 being the 'Rocky Water Holes' precinct.

CARRIED

18.5 FORMALISE LICENCE AGREEMENT - NARRANDERA IMPERIAL FOOTBALL & NETBALL CLUB INCORPORATED

RESOLUTION 21/173

Moved: Cr Tracey Lewis

Seconded: Cr Narelle Payne

That Council:

1. Includes within the final licence agreement the following five annexures:
 - a. the 1st annexure being a locality map of the Clubroom and Changerooms structure within the Narrandera Sportsground precinct; and
 - b. the 2nd annexure being plan of the licenced area; and
 - c. the 3rd annexure being the signed Memorandum of Understanding between the Narrandera Imperial Football & Netball Club and the Narrandera Rugby League Football Club Incorporated; and
 - d. set the activation limit for the Event Management Plan and the engagement of security measures where 150 or more persons are expected to attend any sporting related Clubroom Event, with the Event Management Plan to become the 4th annexure, and
 - e. the 5th annexure will be at the completion of the project, being a schedule that lists all items and equipment supplied to or installed into the licenced area by Council, and
2. Formally endorses the licence agreement as presented between Council and the Narrandera Imperial Football & Netball Club for use of part of the new Clubroom and Changerooms structure at the Narrandera Sportsground; and
3. Instructs the solicitor acting for Council to prepare the final licence agreement including annexures and, when available, that Council invites the Narrandera Imperial Football & Netball Club and representatives from Rugby League Lizards and other interested parties, to witness the formal execution of the document.

CARRIED

18.6 REGIONAL PANEL OF CONDUCT REVIEWERS - ESTABLISHMENT

RESOLUTION 21/174

Moved: Cr Barbara Bryon

Seconded: Cr David Fahey OAM

That Council:

1. Agrees to establish a Regional Panel of Conduct Reviews and appoint the reviewers as detailed within this report following an Expression of Interest (EOI) process conducted by RAMJO.

BAL Lawyers

Centium

Local Government Legal

Moray & Agnew Lawyers

Sinc Solutions

Wise Workplace

CARRIED

18.7 DISPOSAL OF SURPLUS COUNCIL-OWNED LAND

RESOLUTION 21/175

Moved: Cr David Fahey OAM

Seconded: Cr Narelle Payne

That Council:

1. Notes that Lot 1 DP 1022591 comprising 9,715 square metres is surplus land to the current and future needs of Council;
2. Finalises consultation with the current licensees of the Narrandera Saleyards and determines an appropriate area of land to be retained and dedicated as a Council public road to retain access to the Narrandera Saleyards;
3. Engages a registered surveyor to survey Lot 1 DP 1022591 and prepare a proposed plan of subdivision;
4. Engages a registered valuer to provide a formal market valuation for the sale of the larger allotment;
5. Resolves to commence the sale process for the larger allotment following the subdivision of Lot 1 DP 1022591 through an open competitive process by seeking Expressions of Interest;
6. Resolves to dedicate the smaller residual allotment following the subdivision of Lot 1 DP 1022591 as a Council public road;
7. Provides delegated authority to the Mayor and the General Manager to negotiate the final sale price and any minor conditions of sale, also to sign any documentation in relation this matter and to place the Seal of Council on any documentation relating to this matter.

CARRIED

19 STATUTORY AND COMPULSORY REPORTING – DEVELOPMENT SERVICES REPORTS

19.1 JUNE 2021 DEVELOPMENT SERVICES ACTIVITIES

RESOLUTION 21/176

Moved: Cr Narelle Payne

Seconded: Cr David Fahey OAM

That Council:

1. Receives and notes the Development Services Activities Report for June 2021.

CARRIED

20 STATUTORY AND COMPULSORY REPORTING – FINANCIAL / AUDIT REPORTS

20.1 JUNE INCOME STATEMENT

RESOLUTION 21/177

Moved: Cr Narelle Payne

Seconded: Cr Tracey Lewis

That Council:

1. Receives and notes the information contained in the Income Statement report for the period ending 30 June 2021.

CARRIED

20.2 JUNE STATEMENT OF BANK BALANCES

RESOLUTION 21/178

Moved: Cr Barbara Bryon

Seconded: Cr David Fahey OAM

That Council:

1. Receives and notes the information contained in the Statement of Bank Balances report as of 30 June 2021.

CARRIED

20.3 JUNE STATEMENT OF INVESTMENTS

RESOLUTION 21/179

Moved: Cr Tracey Lewis

Seconded: Cr Narelle Payne

That Council:

1. Receives and notes the information contained in the Statement of Investments report as at 30 June 2021.

CARRIED

At 4:17 pm, Cr Narelle Payne left the meeting during discussion on Item 20.3.

20.4 JUNE STATEMENT OF RATES AND RECEIPTS

RESOLUTION 21/180

Moved: Cr David Fahey OAM

Seconded: Cr Barbara Bryon

That Council:

1. Receives and notes the information contained in the Statement of Rates and Receipts report as at 30 June 2021.

CARRIED

At 4:21 pm, Cr Narelle Payne returned to the meeting during discussion on Item 20.4.

20.5 JUNE CAPITAL WORKS PROGRAM

RESOLUTION 21/181

Moved: Cr Barbara Bryon

Seconded: Cr Tracey Lewis

That Council:

1. Receives and notes the information contained in the Capital Works report as of 30 June 2021.

CARRIED

21 STATUTORY AND COMPULSORY REPORTING – OTHER REPORTS

Nil

22 CONFIDENTIAL BUSINESS PAPER REPORTS**RESOLUTION 21/182**

Moved: Cr Narelle Payne

Seconded: Cr David Fahey OAM

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 10A(2) of the *Local Government Act 1993*:

22.1 Economic Development Strategy - July 2021

This matter is considered to be confidential under Section 10A(2) - c of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

22.2 Regional Panel of Conduct Reviewers - Pricing Schedules

This matter is considered to be confidential under Section 10A(2) - di, dii and diii of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with commercial information of a confidential nature that would, if disclosed prejudice the commercial position of the person who supplied it, information that would, if disclosed, confer a commercial advantage on a competitor of the council and information that would, if disclosed, reveal a trade secret.

22.3 Purchase of Land for Barellan Sewer Project

This matter is considered to be confidential under Section 10A(2) - c of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with information that would, if disclosed, confer a commercial advantage on a person with whom the Council is conducting (or proposes to conduct) business.

CARRIED

At 4:24 pm, Cr Kevin Morris left the meeting.

At 4:26 pm, Cr Kevin Morris returned to the meeting prior to discussion on item 22.1 commenced.

22.1 ECONOMIC DEVELOPMENT STRATEGY - JULY 2021**RESOLUTION 21/183**

Moved: Cr Tracey Lewis

Seconded: Cr Jenny Clarke OAM

That Council:

1. Receives and notes the Economic Development Strategy (confidential version) containing updates following the Economic Taskforce Committee meeting held 6 July 2021.

CARRIED

22.2 REGIONAL PANEL OF CONDUCT REVIEWERS - PRICING SCHEDULES**RESOLUTION 21/184**

Moved: Cr Narelle Payne

Seconded: Cr Barbara Bryon

That Council:

1. Receives and notes the pricing schedules contained within the confidential report.

CARRIED

22.3 PURCHASE OF LAND FOR BARELLAN SEWER PROJECT**RESOLUTION 21/185**

Moved: Cr Kevin Morris

Seconded: Cr Tracey Lewis

That Council:

1. Approves the purchase of approximately 15 hectares of Lot 7 DP751672 being 436 Kolkilbertoo Road, Barellan for the amount detailed within the report.
2. Authorises the General Manager to sign all required transfer documents, resultant to the purchase and sale.
3. Classifies the land purchased as operational.
4. Authorises the use of the Common Seal on all associated documents.

CARRIED

23 OPEN COUNCIL**RESOLUTION 21/186**

Moved: Cr Narelle Payne

Seconded: Cr Tracey Lewis

That Council moves out of Closed Council into Open Council and the Mayor advise of the resolutions endorsed in Closed Session.

CARRIED

The Meeting closed at 4.32pm.

The minutes of this meeting were confirmed at the Ordinary Council Meeting held on 17 August 2021.

.....
GENERAL MANAGER

.....
CHAIRPERSON

Unconfirmed

8 MAYORAL REPORT**8.1 MAYORAL REPORT JULY / AUGUST 2021****Document ID:** 567667**Author:** Mayor**Theme:** Our Civic Leadership**Attachments:** Nil**RECOMMENDATION**

That Council:

1. Receives and notes the Mayoral Report for July / August 2021.

BACKGROUND

Since submitting my last Mayor's Report that was presented to the Ordinary Council meeting of 20 July 2021, I have attended the following events or meetings on behalf of Council. As COVID restrictions continue, some events have been postponed or held via Zoom.

Meetings with General Manager

Attended regular Monday, and unscheduled, meetings with the General Manager George Cowan to discuss various matters. Deputy Mayor also attends these meetings.

All Councillors and I attend a weekly Zoom meeting with the General Manager.

Media Interviews

I have had several media interviews with Triple M radio as well as our local Community Radio, 91.1 Spirit FM monthly segment, over the past month covering recent topics of interest and/or concern.

JULY 2021**Monday 12**

Attended the Narrandera Business Group monthly meeting.

Tuesday 20

I chaired the monthly Councillors Briefing Session and Ordinary Council Meeting. Unconfirmed Minutes of the Council Meeting submitted for Council's endorsement.

Thursday 22

Together with the General Manager, I enjoyed another segment on the local Community Radio, 91.1 Spirit FM, where GM George Cowan and I advise the listeners on outcomes of agenda items from the monthly Council meeting as well as providing any updates on current projects. Positive comments continue regarding this segment held monthly at 8:30am on the Thursday following the monthly Council meeting.

Friday 23

A meeting was held with Member for Cootamundra Steph Cooke MP in the Chambers. General Manager George Cowan was in attendance, and I joined via Zoom. Matters raised with Steph Cooke included the exclusion of Narrandera Shire from the Victorian bubble, Covid regulations and the presence of contractors in Narrandera, assistance available to local businesses suffering from the impact of the regulations, Lake Mejum/Coolah proposals and the study being undertaken by John Holland Group on the viaduct.

Wednesday 28

I accepted an invitation from the Narrandera Rotary Club for my wife Carmel and I to attend the Rotary Changeover Dinner for 2021, held at the Narrandera Golf Club. I express my gratitude for the important volunteer work the members do during the year. I wish the executive team all the best for the coming year in continuing their contributions to the community.

I thank the members for their hospitality and their continued support for our community. My congratulations go to incoming President Warren Magnusson and the new Executive team and wish them a very successful year ahead.

Thursday 29

Two Council staff and I met with a community member to discuss the Destination and Discovery Hub and the Tiger Moth Memorial.

AUGUST 2021**Tuesday 3**

Mr Mark Anderson from LGNSW Recruitment conducted the General Manager's Annual Review with Committee members held via Zoom virtual link and at the Narrandera Council Chambers.

Wednesday 4

EDM Peter Dale and I accepted an invitation from Mr Kavit Parekh, the owner of the new IGA Supermarket in East Street, to meet onsite with representatives Mrunal Barad and Hiren Ajwani (Harry). Our inspection of the premises allowed us to appreciate the impressive new fit out. The supermarket will be an important addition to the retail sector and a further encouragement for Narrandera residents to shop locally.

Thursday 5

Together with the General Manager George Cowan, Deputy Major David Fahey OAM, Member for Cootamundra Steph Cooke MP, I joined a Zoom meeting with a community member to discuss a proposed Lake Coolah/Mejum project.

Tuesday 9

I attended the August Narrandera Business Group social gathering at the Charles Sturt Hotel. EDM Peter Dale also regularly attends these meetings

I continue to extend my gratitude and thanks to those Councillors who have attended various meetings throughout the past month, either on my behalf, or as elected committee members.

Until next time, Mayor Kschenk

RECOMMENDATION

That Council:

- 1.Receives and notes the Mayoral Report for July / August 2021.

9 QUESTION WITH NOTICE

Nil

10 NOTICES OF RESCISSION

Nil

11 NOTICES OF MOTION

Nil

12 COUNCILLOR REPORTS

Nil

13 COMMITTEE REPORTS

13.1 MINUTES - RAILWAY STATION MANAGEMENT COMMITTEE - 21 JULY 2021

Document ID: 570850

Author: Senior Customer Service Administration Officer

Authoriser: Deputy General Manager Corporate and Community

Attachments: 1. Railway Station Management Committee Minutes - 21 July 2021

RECOMMENDATION

That Council:

1. Receives and notes the Minutes of the Railway Station Management Committee held on Wednesday 21 July 2021.

**MINUTES OF NARRANDERA SHIRE COUNCIL
RAILWAY STATION MANAGEMENT COMMITTEE
HELD AT THE RAILWAY ROOMS
ON WEDNESDAY, 21 JULY 2021 AT 10:00AM**

1 PRESENT

Mrs Josie Middleton, Mr Tony Taylor, Cr Barbara Bryon, CDM Sue Killham,

2 APOLOGIES

RECOMMENDATION

That apologies from Mr Tony Andracchio be received and accepted.

3 DECLARATIONS OF PECUNIARY INTEREST

Nil

4 CONFIRMATION OF PREVIOUS MEETING MINUTES

COMMITTEE RESOLUTION

Moved: Cr Barbara Bryon

Seconded: Mr Tony Taylor

That the minutes of the Railway Station Management Committee held on 24 February 2021 be confirmed.

CARRIED

5 BUSINESS ARISING FROM PREVIOUS MINUTES

Roof Leaks – The CDM advised the meeting that John Holland had been contacted about the continuing roof leaks. Mr Potzle of John Holland advised that he believed that following the failure of previous efforts to repair the leaks that major works may now be required which he will follow up.

Entry Steps – Due to the difficulty in finding tradespeople for the job, Mr Potzle has approached Council direct to rectify the step issue. Council staff will confer with Heritage Architect to achieve best results.

6 REPORTS

6.1 REVENUE & EXPENDITURE BUDGET 2020-21

COMMITTEE RESOLUTION

Moved: Mr Tony Andracchio
Seconded: Cr Barbara Bryon

The Committee:

1. Receives and notes the Budget & Expenditure reports as of June 2021.

CARRIED

6.2 RAILWAY CARETAKERS REPORT

COMMITTEE RESOLUTION

Moved: Cr Barbara Bryon
Seconded: Mr Tony Taylor

The Committee:

1. Receive and note Railway Caretakers report.

CARRIED

6.3 ACTION LIST / KEY REGISTER

COMMITTEE RESOLUTION

Moved: Cr Barbara Bryon
Seconded: Mr Tony Taylor

The Committee:

1. Update action list and key register and authorise the remove of completed items.

CARRIED

7 NEXT MEETING

October 2021, date and time to be advised

8 MEETING CLOSE

The Meeting closed at 10:45am.

The minutes of this meeting were confirmed at the Railway Station Management Committee held on .

.....
CHAIRPERSON

13.2 MINUTES - ARTS AND CULTURE ADVISORY COMMITTEE - 8 JULY 2021

Document ID: 570860

Author: Senior Customer Service Administration Officer

Authoriser: Deputy General Manager Corporate and Community

Attachments: 1. Arts and Culture Advisory Committee Minutes - 8 July 2021

RECOMMENDATION

That Council:

1. Receives and notes the Minutes of the Arts and Culture Advisory Committee held on Thursday 8 July 2021.

**MINUTES OF NARRANDERA SHIRE COUNCIL
ARTS AND COMMUNITY CENTRE COMMITTEE
HELD AT THE LIBRARY YOUTH SPACE
ON THURSDAY, 8 JULY 2021 AT 10:00AM**

1 PRESENT

Chairperson Julie Briggs, Cr Barbara Bryon, Ms Tracey Lewis, Ms Aanya Whitehead, Ms Lindee Russell, Observer CDM Sue Killham.

2 APOLOGIES

COMMITTEE RESOLUTION

Moved: Ms Barbara Bryon

Seconded: Ms Aanya Whitehead

That apologies from Miss Nioka Dupond be received and accepted.

CARRIED

3 DECLARATIONS OF PECUNIARY INTEREST

Nil

4 CONFIRMATION OF PREVIOUS MEETING MINUTES

COMMITTEE RESOLUTION

Moved: Ms Barbara Bryon

Seconded: Ms Aanya Whitehead

That the minutes of the Arts and Community Centre Committee held on 1 September 2020 be confirmed.

CARRIED

5 BUSINESS ARISING FROM PREVIOUS MINUTES

Nil

6 REPORTS

6.1 REVENUE & EXPENDITURE BUDGET 2020-21

COMMITTEE RESOLUTION

Moved: Mrs Julie Briggs

Seconded: Ms Tracey Lewis

The Committee:

1. Receives and notes the Budget & Expenditure reports as of June 2021.

CARRIED

6.2 ARTS & CULTURE VENUE UPDATE

COMMITTEE RESOLUTION

Moved: Ms Barbara Bryon

Seconded: Mrs Julie Briggs

The Committee:

1. Receive and note The Arts and Culture Venue Update report.
2. Receive and note:
 - High Social Media interaction to the Local Community Arts Installation Narrandera and Create Narrandera programmes.
 - Attendance for the Local Arts Installation Narrandera and Create Narrandera programmes – >1576
 - Volunteer hours involved in the Local Arts Installation Narrandera and Create Narrandera programmes - >1100.

• CARRIED

7 NEXT MEETING

October 2021, date and time to be advised

8 MEETING CLOSE

The Meeting closed at 11:20am.

The minutes of this meeting were confirmed at the Arts and Community Centre Committee held on .

.....
CHAIRPERSON

13.3 MINUTES - YOUTH ADVISORY COUNCIL - 19 JULY 2021

Document ID: 572499

Author: Community Support Manager

Authoriser: Deputy General Manager Corporate and Community

Attachments: 1. Youth Advisory Council Minutes - 19 July 2021

RECOMMENDATION

That Council:

1. Receives and notes the Minutes of the Youth Advisory Council held on Monday 19 July 2021.



MINUTES

Youth Advisory Council Meeting

19 July 2021

**MINUTES OF NARRANDERA SHIRE COUNCIL
YOUTH ADVISORY COUNCIL MEETING
HELD AT THE LIBRARY YOUTH SPACE
ON MONDAY, 19 JULY 2021 AT 3.30**

1 PRESENT

Mayor Braden Lyons, Deputy Mayor Wesley Bamblett, Cr Alyssa Sanders, Cr Madeline Fraser, Cr Memphis Singh, CLO Suzanne Litchfield, CSM Stacie Mohr

2 APOLOGIES

Nil

3 BUSINESS ARISING FROM PREVIOUS MINUTES

- Soft launch of the trailer for stakeholders to happen in September school holidays

4 CONFIRMATION OF PREVIOUS MEETING MINUTES

COMMITTEE RESOLUTION

Moved: Deputy Mayor Wesley Bamblett

Seconded: Cr Alyssa Sanders

That the minutes of the Youth Advisory Council Meeting held on 15 June 2021 be confirmed.

CARRIED

5 REPORTS

5.1 DRAFT YOUTH STRATEGY

COMMITTEE RESOLUTION

Moved: Cr Alyssa Sanders

Seconded: Cr Memphis Singh

The Youth Council

1. Receive and note the DRAFT Youth Strategy, to be presented to the Council meeting held 20 July 2021.

CARRIED

5.2 FOOD TRAILER WASTE MANAGEMENT PLAN

COMMITTEE RESOLUTION

Moved: Cr Memphis Singh

Seconded: Cr Madeline Fraser

The Youth Council

1. Receive and note the DRAFT Waste Management Plan and provide recommendations for changes as required.

CARRIED

5.3 FOOD TRAILER GRAPHICS

COMMITTEE RESOLUTION

Moved: Cr Alyssa Sanders

Seconded: Cr Memphis Singh

The Youth Council

1. Receive and note the concept image provided by Belinda from Straight Lines Designs and Marketing and provide recommendations for changes if required.

CARRIED

5.4 USE OF PROFESSIONAL PHOTOS

COMMITTEE RESOLUTION

Moved: Cr Memphis Singh

Seconded: Cr Alyssa Sanders

The Youth Council

1. Receive and note the information provided regarding the use of professional images taken of the Youth Advisory Council.

CARRIED

5.5 FOOD TRAILER MENU ITEMS

COMMITTEE RESOLUTION

Moved: Cr Madeline Fraser

Seconded: Deputy Mayor Wesley Bamblett

The Youth Council

1. Endorse the proposed menu items that were prepared and shared by the Youth Council on 1 July 2021.

CARRIED

6 GENERAL BUSINESS

7 NEXT MEETING

To be held on Monday 9 August 2021 at the Library Youth Space

8 MEETING CLOSE

Meeting Closed at 5.41pm

13.4 MINUTES - AUDIT, RISK AND IMPROVEMENT COMMITTEE - 4 AUGUST 2021

Document ID: 572521

Author: Senior Customer Service Administration Officer

Authoriser: Deputy General Manager Corporate and Community

Attachments: 1. Audit, Risk and Improvement Committee Minutes - 4 August 2021

RECOMMENDATION

That Council:

1. Receives and notes the Minutes of the Audit, Risk and Improvement Committee held on Wednesday 4 August 2021.

**MINUTES OF NARRANDERA SHIRE COUNCIL
AUDIT, RISK AND IMPROVEMENT COMMITTEE
HELD AT THE COUNCIL CHAMBERS
ON WEDNESDAY, 4 AUGUST 2021 AT 10:14AM**

1 PRESENT

Chairperson John Batchelor, Members Cr Narelle Payne, Mr Cameron Lander, Mrs Gayle Murphy, Observers General Manager Mr George Cowan, Deputy General Manager Corporate and Community Martin Hiscox, Governance and Engagement Manager Craig Taylor, Finance Manager Bec Best, Minute Taker Mel Gilmour

Dannielle MacKenzie from Crowe Australasia attended the meeting using Zoom technology and stayed for the duration.

2 APOLOGIES

Nil

3 DECLARATIONS OF PECUNIARY INTEREST

Nil

4 CONFIRMATION OF PREVIOUS MEETING MINUTES

COMMITTEE RESOLUTION

Moved: Cr Narelle Payne

Seconded: Mrs Gayle Murphy

That the minutes of the Audit, Risk and Improvement Committee held on 7 July 2021 be confirmed.

CARRIED

5 BUSINESS ARISING FROM PREVIOUS MINUTES

Nil

6 REPORTS

6.1 DRAFT 2020-2021 FINANCIAL STATEMENTS- REFERRAL FOR AUDIT

COMMITTEE RESOLUTION

Moved: Mrs Gayle Murphy

Seconded: Cr Narelle Payne

The Committee recommends the following to Council:

1. That pursuant to the provisions of Section 413 of the *Local Government Act* 1993, Council declares that it has prepared the General Purpose Financial Statements for the 2020-2021 financial year ending 30 June 2021 and has formed an opinion, based on the advice of Council officers, that these reports;
 - (a) Have been prepared in accordance with;
 - (i) The Local Government Act 1993 (as amended) and the Regulations made thereunder;
 - (ii) The Australian Accounting Standards and professional pronouncements; and
 - (iii) The Local Government Code of Accounting Practice and Financial Reporting.
 - (b) Present fairly the operating result and financial position of the Narrandera Shire Council for the year ended 30 June 2021; and
 - (c) Accords with Council's accounting and other records and policies.
2. That the Special Purpose Financial Statements have been drawn up in accordance with the Local Government Code of Accounting Practice and Financial Reporting.
3. That the General and Special Purpose Financial Statements be certified by the Mayor, Deputy Mayor, General Manager and Responsible Accounting Officer, in accordance with Section 413(2)(c) of the *Local Government Act* 1993.
4. That pursuant to the provisions of Section 413 of the Local Government Act 1993, Council declares that the Financial Statements (including General Purpose and Special Purpose Reports) for the year ending 30 June 2021 be referred for audit.

CARRIED

NOTE: Member Gayle Murphy commented that the Committee should note a risk with the recommendation in that the Committee as a whole may not understand the complexities of the accounting framework and that Committee members may not know what questions to ask. The General Manager assured the Committee as a whole that this was not uncommon and that this has been expressed to the Office of Local Government on a number of occasions. Member Cameron Lander agreed with Gayle but stated that the recommendation was for Council to consider the financial statements for audit purposes, the Committee was not actually adopting the financial statements for audit purposes.

NOTE: The Committee also passed on its congratulations to the Finance team for the timely completion of the 2020-2021 financial statements for audit.

6.2 NEW ACCOUNTING STANDARD AASB 1059 SERVICE CONCESSION ARRANGEMENTS: GRANTORS

COMMITTEE RESOLUTION

Moved: Cr Narelle Payne

Seconded: Mrs Gayle Murphy

That the Audit, Risk and Improvement Committee:

1. Support the position paper prepared by Council on the new Accounting Standard *AASB 1059 Service Concession Arrangements: Grantors*.

CARRIED

6.3 REVALUATION OF BUILDINGS AND STRUCTURES AT 30 JUNE 2021

COMMITTEE RESOLUTION

Moved: Mr Cameron Lander

Seconded: Cr Narelle Payne

That the Audit, Risk and Improvement Committee:

1. Acknowledge the asset revaluations implemented in accordance with the Code and Standards and note the impact on the 2020-2021 financial statements and future years operating results.

CARRIED

7 NEXT MEETING

Friday 3 September 2021, 10:00am Council Chambers.

8 MEETING CLOSE

The Meeting closed at 11:51am.

The minutes of this meeting were confirmed at the Audit, Risk and Improvement Committee held on 3 September 2021.

.....
CHAIRPERSON

14 OUR COMMUNITY

Nil

15 OUR ENVIRONMENT

Nil

16 OUR ECONOMY

Nil

17 OUR INFRASTRUCTURE**17.1 REGIONAL AIRPORTS PROGRAM ROUND 2 - NARRANDERA-LEETON AIRPORT PARALLEL TAXIWAY****Document ID:** 572472**Author:** Deputy General Manager Infrastructure**Authoriser:** Deputy General Manager Infrastructure**Theme:** Our Infrastructure**Attachments:** Nil**RECOMMENDATION**

That Council:

1. Accepts the grant of \$1,110,157 under the Regional Airports Program Round 2 for the construction of a parallel taxiway at the Narrandera/Leeton Airport.
2. Includes the parallel taxiway project within the Financial Plans.
3. Approves the co-contribution to be funded from the internally restricted Infrastructure Replacement & Renewal Fund.

PURPOSE

The purpose of this report is to inform Council of the successful application under the Australian Federal Government, Regional Airports Program Round 2 for the construction of a parallel taxiway at the Narrandera-Leeton Airport and for Council to endorse the acceptance of the grant.

SUMMARY

In December 2020 the Narrandera-Leeton Airport Management Committee endorsed an application under Regional Airports Program Round 2 for the construction of a parallel taxiway at the Narrandera–Leeton Airport. The application was completed based on the design prepared by Pitt & Sherry Airport consultants and the costings were refined to suit the local costs. The application was submitted for a total project cost of \$2,220,315 of which the grant, if successful, would be funded on a 50:50 basis.

Council has now been advised that the application as submitted was successful for a total of \$1,110,157, with preliminary information having been exchanged between Council and the Commonwealth agency administering the grant.

A meeting of the Narrandera–Leeton Airport Management Committee will be undertaken prior to the Council meeting to further consider and endorse the grant, with written confirmation of all stakeholders' commitment to the project and required undertakings also being sought. This will be further confirmed at the Council meeting.

BACKGROUND

The Narrandera-Leeton Airport has been selected by the Australian Airline Pilot Academy (AAPA) as a site to extend its pilot training program. Without a new parallel taxiway, the addition of AAPA aircraft would result in delays using the runway 14/32 because of the need for aircraft to stop and backtrack on the runway 14/32.

Narrandera Shire Council engaged Pitt & Sherry airport consultants to prepare a detailed design for tender purposes, with the view of seeking potential funding opportunities in future. This opportunity presented by way of the Regional Airports Program Round 2 which closed in December 2020.

After the endorsement from the Narrandera–Leeton Airport Management Committee and Council, an application under Regional Airports Program Round 2 for the construction of a parallel taxiway was prepared and submitted.

The application was submitted for a total project cost of \$2,220,315 of which the grant if successful would be funded on a 50:50 basis.

Efficiencies in other projects at the airport have resulted in savings of \$175,000 which are proposed to be contributed as co-funding toward the Regional Airports Program Round 2 grant; thus, an additional \$936,158 needs to be identified and allocation made.

If the grant is accepted by Council, construction would look to commence around the end of 2021 and be completed in late 2022.

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND OTHER STRATEGIES / MASTERPLANS / STUDIES

Theme

Our Infrastructure

Strategy

4.2 - To improve, maintain and value-add to our essential public and recreational infrastructure

Action

4.2.1 - Plan and source funding for redevelopment of or the construction of key facilities and infrastructure

ISSUES AND IMPLICATIONS

Policy

- CS230 Borrowing/Loans Policy provides a framework for determining when the use of borrowings (internal and external) is both appropriate and financially sustainable. This policy would be followed, in the event that Council resolved that a loan was to be taken for the required contribution.

Financial

- As detailed within the report, there is a requirement of a co-contribution to the grant of 50%. With the realisation of savings from other capital projects, this is now \$936,158, which is to be provided between both Narrandera and Leeton Shire under the existing MOU arrangements.
- Narrandera Shire's contribution of \$468,000 is proposed to be funded from the internally restricted Infrastructure Replacement & Renewal fund.

Legal / Statutory

- The signing of the grant will form a binding legal agreement between Council and the Commonwealth Government, with the need to ensure compliance with all conditions of the grant agreement.

Community Engagement / Communication

- Community and stakeholder engagement will be undertaken once the grant is accepted.
- It is, however, worth noting that the proposed taxiway is identified as development permitted without consent pursuant to the State Environmental Planning Policy (Infrastructure) 2007. As the development is for the purpose of an airport, it may be carried out by or on behalf of a public authority without consent on the subject land.

RISKS

The only risk related to the acceptance of the grant is around the potential lost opportunity should it not be accepted. The other risks about the project and its delivery have been considered within the project management plan and will be further considered with regard to the construction risk as the project planning progresses.

OPTIONS

1. Accept the grant under the Regional Airports Program Round 2 and allocate the co-contribution for the construction of a parallel taxiway at the Narrandera/Leeton Airport in accordance with the recommendation.
2. Accept the grant under the Regional Airports Program Round 2 and nominate to the co-contribution being sources in an alternate manner, such as a loan.
3. Refuse the acceptance of the grant and not proceed with the project.

CONCLUSION

The opportunity to provide the desired parallel taxiway would not be considered achievable without the financial assistance of a grant such as the Australian Federal Government, Regional Airports Program Round 2 offer. The delivery of this project will bring the airport to a standard that very few regional facilities would provide and is a further step toward the greater establishment of a flight training facility.

RECOMMENDATION

That Council:

1. Accepts the grant of \$1,110,157 under the Regional Airports Program Round 2 for the construction of a parallel taxiway at the Narrandera/Leeton Airport.
2. Includes the parallel taxiway project within the Financial Plans.
3. Approves the co-contribution to be funded from the internally restricted Infrastructure Replacement & Renewal Fund.

18 OUR CIVIC LEADERSHIP

Nil

19 STATUTORY AND COMPULSORY REPORTING – DEVELOPMENT SERVICES REPORTS

19.1 JULY 2021 DEVELOPMENT SERVICES ACTIVITIES

Document ID: 572719

Author: Administration Assistant

Authoriser: Deputy General Manager Infrastructure

Theme: Statutory and Compulsory Reporting – Development Services

Attachments: Nil

RECOMMENDATION

That Council:

1. Receives and notes the Development Services Activities Report for July 2021.

PURPOSE

The purpose of this report is to inform Council of Development Applications and other development services provided during July 2021 as of 31 July 2021.

BACKGROUND

Development & Complying Development Applications

A summary of Development & Complying Development Applications processed during July 2021 detailed in the following table:

Stage Reached	Number
Lodged	3
Stop-the-Clock / Under Referral / Awaiting Information	1
Under Assessment	16
Determined	8

The value of Development & Complying Development Applications approved by Council during July 2021 is detailed in the following table:

Development Type	2021/2022			
	JULY		Year to Date	
	Number	Value \$	Number	Value \$
Residential	7	\$ 711,494	7	\$ 711,494
Industrial			0	\$ -
Commercial			0	\$ -
Rural Residential	1	\$ -	1	\$ -
Subdivisions			0	\$ -
Other			1	\$ -
TOTAL	8	\$ 711,494	9	\$ 711,494

Under the provisions of section 4.59 of the Environmental Planning and Assessment Act Narrandera Shire Council consented to the following development applications, applications for modification of development consents and complying development certificate applications during July 2021.

No	Lot	Sec	DP/SP	Address	Development Type	Type	STC / RFI Days	ACTIVE Business Days
063-20-21	7	-	12500	26 King St NARRANDERA	Demolition – house	L	-	31
065-20-21	2	-	22202	8 Adams St NARRANDERA	Dwelling extensions and carport	L	-	33
066-20-21	22	-	802358	2 Kiesling Dr NARRANDERA	Shed	L	-	31
067-20-21	13	-	1234664	5 Lettie St NARRANDERA	New dwelling	L	-	24
068-2021	137	-	750851	546 Federal Park Rd GRONG GRONG	Transportable dwelling	L	-	27
071-20-21	119 91 1	-	754550 754540 1170948	7459 Sturt Hwy SANDIGO	Farm boundary re-design	L	-	23
076-20-21	5	77	758757	2-6 Adams St NARRANDERA	1 into 2 lot subdivision	L	-	23
Pt 2 053 -20-21	12	-	2597	21 Grosvenor St NARRANDERA	Moveable dwelling	L	-	18

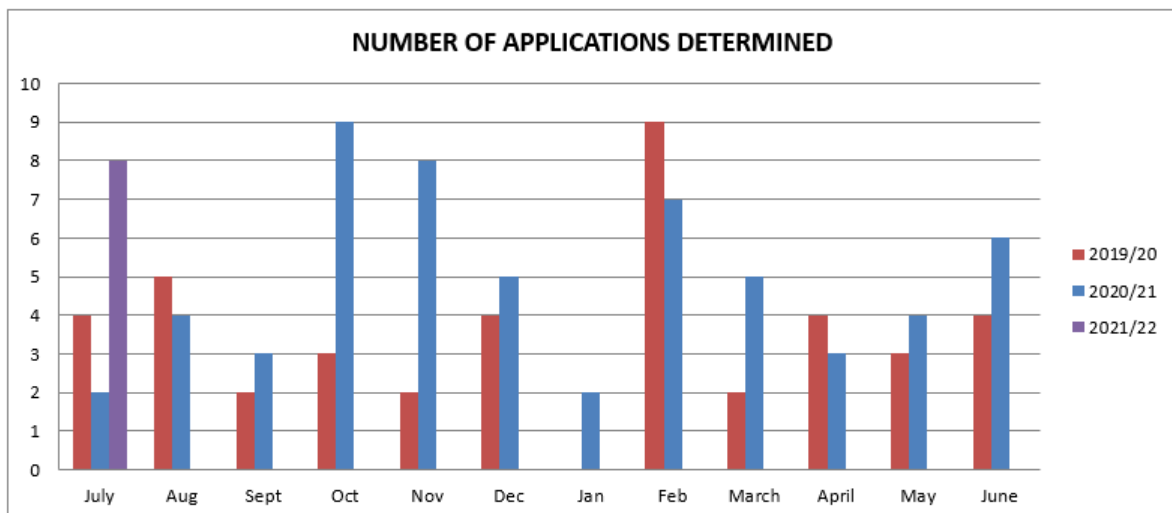
Type explanation

Local (L)	Merit based assessment where development consent is required. Target determination time of 40 business days.
Integrated (I)	Merit based assessment where approval from other authorities, such as RMS, RFS, DPI, is required in addition to development consent. The referral process extends the target determination time to 60 business days.
Modification (M)	Revision of previously approved application. No target determination time.
Stop the Clock (STC)	Calculation of active days stops while additional information required to complete the assessment is obtained from the applicant.
Complying (C)	Fast track approval process without the need for a full development application if specific criteria are met. Target 10 to 20 business days.

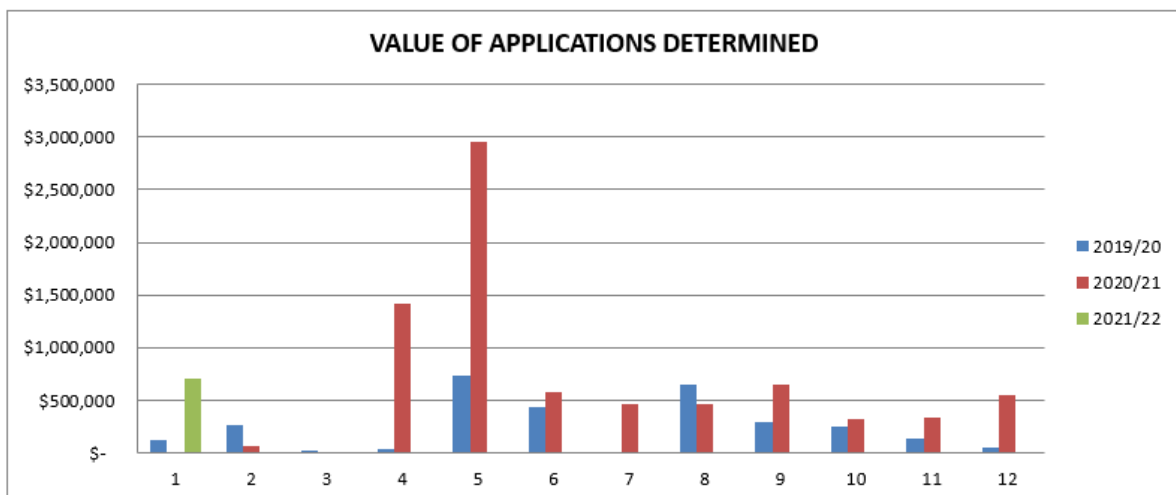
Comparison determination times

2014/15	Narrandera Shire Council average	42 days
2015/16	Narrandera Shire Council average	35 days
2016/17	Narrandera Shire Council average	26 days
2017/18	Narrandera Shire Council average	27 days
2018/19	Narrandera Shire Council average	38 days
2019/20	Narrandera Shire Council average	32 days
2020/21	Narrandera Shire Council average	30 days
2021/22	Narrandera Shire Council average YTD	17 days

This graph details the comparative number of Development & Complying Development Applications determined by month since 2019/20.



This graph details the comparative value of Development & Complying Development Applications determined by month since 2019/20.



Certificates Issued

A summary of other development services activities undertaken during July 2021 is detailed in the following table:

Certificate Type	Number Issued
Construction Certificates	2
Building Certificates	-
Subdivision Certificates	-
Occupation Certificates	2
Compliance Certificates	-
Section 10.7 (previously 149) Certificates	44
Swimming Pool Compliance Certificates	1
On-Site Septic Management System Certificates	-

RECOMMENDATION

That Council:

1. Receives and notes the Development Services Activities Report for July 2021.

20 STATUTORY AND COMPULSORY REPORTING – FINANCIAL / AUDIT REPORTS

20.1 POLICY REVIEW - POL017 DEBT RECOVERY

Document ID: 565823

Author: Deputy General Manager Corporate and Community

Authoriser: Deputy General Manager Corporate and Community

Theme: Statutory and Compulsory Reporting – Financial / Audit

Attachments: 1. Debt Recovery Policy - Exhibition Copy
2. Redacted Copy of Submission

RECOMMENDATION

That Council:

1. Adopts POL017 Debt Recovery Policy after considering submissions received during the exhibition of the draft policy.

PURPOSE

The purpose of this report is for consideration of submissions received during the exhibition of Council's POL017 Debt Recovery Policy.

SUMMARY

Council's Debt Recovery Policy has been reviewed in accordance with the date scheduled in the policy register. Minor amendments were made, and Council resolved at its June meeting to place the policy on exhibition, closing 21 July 2021. Council should now consider submissions received during the exhibition period prior to adopting POL017 Debt Recovery Policy.

BACKGROUND

Policy CS290 Debt Recovery was scheduled for review in June 2021. The policy has been transferred to the current policy template and its number revised to POL017. There are minor changes to the policy. The largest change is to add a policy Intent which is in keeping with the new policy template. Changes are shown in red.

Council at its June meeting adopted the revised policy for exhibition. The following were received as submissions during the exhibition period.

- **Section 1 Intent:** Insert the word "caring" after "effective" to indicate Council's role in the community.

Sections 5.7 and 5.8 of the policy direct staff to treat persons in financial hardship with respect and compassion in accordance with debt collection guidelines only contacting the debtor to the extent necessary and reasonable. Council may wish to add the word "caring" to the policy intent to reflect these provisions in the policy.

- **Section 5.9.2 Recovery Action:** Insert after "debtor" "if a telephone call is unanswered, checks are made to ascertain the situation of the debtor and if necessary, arrange a visit".

Section 5.8 directs that staff in contacting a debtor will follow the ACCC / ASIC Debt Collection Guidelines. In doing so, Council has obligations to protect the privacy of the debtor, and when making direct contact will always ensure it is dealing directly with the debtor or their legal representative.

The submission suggests that staff should contact third parties to “ascertain the situation of the debtor”. Any such discussion with third parties of a debtor’s situation would be a breach of the debtor’s privacy. Confidentiality is an objective of the policy. Amendment to section 5.9.2 is not supported.

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND OTHER STRATEGIES / MASTERPLANS / STUDIES

Theme

Our Civic Leadership

Strategy

5.1 - To have a Council that demonstrates effective management consistently, also a Council that communicates and engages well with the community and works collaboratively

Action

5.1.1 - Accountable, transparent and ensure open communication between the community and Council

ISSUES AND IMPLICATIONS

Policy

- Review policy CS290 Debt Recovery.

Financial

- Policy changes have no financial implications.

Legal / Statutory

- Policy determines how Council will utilise legal action to recover debts.

Community Engagement / Communication

- Policy has been placed on exhibition with Council considering submissions received during the exhibition period.

Human Resources / Industrial Relations

- N/A

RISKS

Failure to institute debt recovery action can impact Council's cash flow and allow debtors to accumulate debts which put them under financial pressure.

OPTIONS

1. Adopt the revised POL017 Debt Recovery Policy as exhibited.

2. Adopt the revised POL017 Debt Recovery Policy with amendments to the exhibited policy.
3. Return the policy to staff for further review and subsequent return to Council.

CONCLUSION

That Council adopts the POL017 Debt Recovery Policy after considering submissions received during the exhibition of the draft policy.

RECOMMENDATION

That Council:

1. Adopts POL017 Debt Recovery Policy after considering submissions received during the exhibition of the draft policy.

Debt Recovery Policy 202X

POL017



Policy No:	POL017
Policy Title:	Debt Recovery Policy
Section Responsible:	Finance
Minute No:	21/135 -
Doc ID:	403795

1. INTENT

The objective of this policy is to ensure monies owed to Council are recovered in a timely, efficient and effective manner in order to finance Council's operations and ensure effective cash flow management.

2. SCOPE

- This policy applies to all ratepayers, sundry debtors and account holders within the Narrandera Shire Council.
- This policy applies to Council staff with delegated responsibility for carrying out the procedures, and debt recovery agents who act on behalf of Council.

3. OBJECTIVE

- To ensure consistency, fairness, integrity and confidentiality of all proceedings for both the debtor and the Council.
- To fulfil the statutory requirements of the Local Government Act, 1993 (the Act) with respect to the recovery of rates, charges and other debts.
- To maximise the collection of rates and charges and other amounts payable to Council.
- To be sympathetic to ratepayers and other debtors suffering genuine financial hardship.

4. POLICY STATEMENT

Council will carry out debt recovery in a fair and consistent manner and in accordance with the provisions of the Local Government Act and the procedures outlined below.

5. PROVISIONS

5.1 RATES AND ANNUAL CHARGES

Annual rates and charges notices are issued in July each year. These may be paid in a single instalment or by quarterly instalments. If a payment is made in a single instalment, the instalment is payable by 31 August. If a payment is made by quarterly instalments, the instalments are payable by 31 August, 30 November, 28 February and 31 May.

Annual rates and charges notices and Quarterly instalment reminder notices are issued 30 days before the due date.

5.2 WATER AND SEWERAGE CHARGES

Council's water and sewer charges are billed in quarterly or bi-annual cycles, in arrears. Accounts are issued 30 days before the due dates.

5.3 SUNDRY DEBTORS

Council issues debtor accounts for numerous services, including private works, in accordance with Council's Operational Plan and adopted Fees and Charges.

Council reserves the right to refuse credit for private work accounts where a property owner has other overdue amounts owing to Council or has a poor payment of debt history with Council.

Trading terms are 30 days from the date of the invoice, available to credit approved applicants only.

A reminder letter is issued for all sundry debtor accounts unpaid 30 days after the invoice due date. If a reminder letter does not result in payment in full or suitable payment arrangements being made, recovery action shall be commenced.

5.4 INTEREST

For Rates and Annual Charges and Water and Sewer Charges, interest accrues on a daily basis in accordance with Section 566 of the Local Government Act 1993 on all amounts that remain unpaid after they become due and payable. The rate of interest to be charged is the maximum allowed as announced by the Independent Pricing and Regulatory Tribunal (IPART) each year.

5.5 PAYMENT ARRANGEMENTS

Council is empowered under Section 564 of the Local Government Act to enter into an agreement with a person to accept variable payments of rates and charges due and payable.

Where council staff deem it to be appropriate in the circumstances, prior to the commencement of legal action, Council shall accommodate an agreement for the period payment of the debt that extinguishes it within a reasonable timeframe.

Failure to adhere to a payment arrangement that has been put in place will result in legal action for recovery, in accordance with this policy.

Where a debtor defaults on approved arrangements for payment and there has been no contact from the debtor to discuss the missed payments within 30 days, Council may recommence recovery action from the stage which had been reached prior to the last arrangement being negotiated.

5.6 Overdue Notice

Overdue notices are issued for Rates and Annual Charges and Water and Sewerage Charges.

5.6.1 Reminder notices

Within 14 days after the due date of payment for each rate instalment or water consumption account or combined water consumption/sewer usage account, a 'Reminder Notice' shall be issued to ratepayers with unpaid amounts.

5.6.2 Final notices

Within 30 days after the due date of the payment for each rate instalment or water consumption account or combined water consumption/sewer usage account, a 'Final Notice' shall be issued to ratepayers with unpaid amounts after the issue of a 'Reminder Notice'.

Notices shall include information to the account holder on options available to them should they be having difficulty in meeting their payment requirements.

5.7 FINANCIAL HARDSHIP

Council recognises there are cases of genuine financial hardship requiring respect and compassion in special circumstances. In cases of genuine hardship, a written application should be made to Council to request consideration for a concession under Council's Rates and Charges Financial Hardship Policy.

5.8 MAKING CONTACT WITH THE ACCOUNT HOLDER

In making contact and corresponding with the debtor, Council and Council's agent will follow the ACCC / ASIC Debt Collection Guidelines. Council has obligations to protect the privacy of the debtor, and when making direct contact will always ensure it is dealing directly with the debtor or their legal representative. Communications with the debtor will only occur to the extent necessary and reasonable.

5.9 RECOVERY ACTION

Prior to the commencement of legal action, further additional communication attempts will be made, and may include the following.

1. If the Overdue Notices and Reminder Letters do not result in payment, a Demand Letter or Account Statement will be issued reminding the debtor of the outstanding debt and requesting payment in full or negotiation of suitable payment arrangements to avoid the commencement of legal action.
2. If payment is not received and no arrangements have been entered in to within 14 days of the Demand Letter, staff will attempt to contact the debtor by telephone to

arrange a meeting to discuss settlement of the outstanding debt. This may necessitate an after-hours phone call to the debtor.

If a contact is unable to be made or satisfactory payment arrangements are not commenced, Council will commence debt recovery proceedings. Costs incurred for legal action and fees for the installation of water restrictors are added to the debt, as well as interest.

5.10 INTENTION TO RESTRICT WATER SUPPLY NOTICE

For unpaid water accounts, an "Intent to Restrict Water Supply Notice" will be issued by Council. The service of the Notice will be by hand delivery to the property. The time, date and place or manner of service of hand delivered notices will be recorded. The Notice will include:

- The total overdue amount now payable, including interest.
- Notice that if the amount is not paid, or an arrangement for payment made within seven days, the water will be restricted without further notice.
- The cost of the water restrictor fee which will be determined annually within Council's fees and charges.
- Advice that nominal supply to the property will be reduced.

Tenanted properties cannot have their water supply restricted as the debt is the responsibility of the landowner. In these instances, legal action will be pursued against the landowner.

After expiration of seven days for payment on an "Intent to Restrict Water Supply Notice", written instruction will be given to the Water and Sewer staff to restrict supply and the water restrictor fee will be added to the account. Restriction will be made by fitting a restriction device to make available a nominal supply. At the time of restriction, a "Water Supply Restricted Notice" will be issued and served by hand delivery at the property. That Notice will include the following advice that:

- The total overdue amount now payable, including the water restrictor fee.
- The water has now been restricted.
- The supply will not be restored until the total amount outstanding is paid, or evidence of continued ongoing payments as per any agreed arrangement is seen.
- If full payment is being made, payment must be made directly to Council and before 1:00pm if same day restoration of supply is required.
- Caution needs to be exercised in the use of hot water systems.
- It is an offence to tamper with a meter or any device attached to a meter.

5.11 LEGAL ACTION

When legal action commences, a Statement of Liquidated Claim (summons) will be issued and served. Where judgement is entered in Council's favour, Council will seek to recover

the judgement debt through appropriate recovery actions. Action to recover outstanding debts that will be considered, may include, but is not limited to:

- A garnishee of income
- Writ of execution on goods and chattels
- Examination notice
- Examination summons
- Service of a rent for rates notice where the property is tenanted.
- Sale of land for unpaid rates.

Arrangements for payments may be accepted after legal action has commenced, subject to the continuation of legal action should the ratepayer or debtor not adhere to the approved arrangement.

All legal costs and expenses incurred in recovering outstanding rates and charges shall be charged against the property in accordance with the Local Government Act.

All legal costs and expenses incurred in recovering outstanding sundry debts shall be added to the debt outstanding.

If Council are to sell off goods via a Writ of Execution, Council staff are to advise the account holder that financial counselling is available from agencies such as Centrelink, Mission Australia and the Salvation Army.

6. DEFINITIONS

- **Debtor:** The person liable for payment of the debt.
- **NSC:** Narrandera Shire Council

7. ROLES AND RESPONSIBILITIES

7.1 STAFF / RATES OFFICER

- Undertake debt recovery in accordance with this policy.

7.2 DEPUTY GENERAL MANAGER / MANAGER

- Authorise legal action for debt recovery.

8. RELATED LEGISLATION

- Local Government (General) Regulation 2005
- Local Government Act 1993
- Privacy and Personal Information Protection Act 1998 (NSW) (PPIP Act) Privacy and Personal Information Protection Regulation 2014

9. RELATED POLICIES AND DOCUMENTS

- Application for Payment Arrangement Form
- Debt Collection Guideline for collectors and creditors ACCC/ASIC
- Delegations Register
- OLG Debt Management & Hardship Guidelines, November 2018 ISBN 978-1-922001-76-4
- Rates and Financial Hardship Policy
- Revenue Policy, contained within the Operational Plan

10. VARIATION

Council reserves the right to review, vary or revoke this policy in accordance with legislation, regulation and award changes, where applicable. Council may also make charges to this policy and the relevant procedures from time-to-time to improve the effectiveness of its operation.

11. PREVIOUS VERSIONS

Reference to a superseded policy number and/or name is also considered a reference to the new policy number. This policy was previously named:

- CS290 Debt Recovery Policy.

POLICY HISTORY

Responsible Officer	Finance Manager		
Approved by	General Manager		
Approval Date	DD Month 202X		
GM Signature <i>(Authorised staff to insert signature)</i>			
Next Review	1 April 2023		
Version Number	Endorsed by ELT	Endorsed by Council	Date signed by GM
1 Adopted	29/01/2019	21/05/2019	3/06/2019
2 Reviewed	11/05/2021	15/06/2021	DD/MM/YYYY

NOTE: This is a controlled document. If you are reading a printed copy, please check that you have the latest version via Council’s website (external) or MagiQ (internal). Printed or downloaded versions of this document are uncontrolled.

From: [Robert Manning](#)
To: [Council Emails](#)
Subject: Submission ref. Debt Recovery Policy " POL 017 ".
Date: Wednesday, 30 June 2021 8:05:44 AM

General manager
Narrandera Shire
Dear Mr. Cowan
and Councillors

The existing policy is unfair and unreasonable to farmers & residents who are aged, have dementia, sick, hospitalized possibly followed by respite care or death. There is an increase also in the number of single people living alone be they aged or young battlers. So It is reasonable to change the Policy as follows.

1. Intent :- please add the word "caring" after ' effective '. Councils are set up for the people, that is the Community.

5.9. :- Recovery Action

2 please add after 'debtor', " If a telephone call is unanswered, checks be made to ascertain the situation of the debtor and if necessary arrange a visit ".

On this last point many of us know our local community and its key people, even licensed post offices or Association Chairs. We also have workers outposted at Barellan or traveling to jobs. So it is not too difficult to appreciate a situation.

Having made these rational caring suggestions I will not have anyone say that I would know little about Debts. I Managed an Accounts and Service Section where we ran a tight ship but if necessary visited and worked out the solution. I only had one Account not finalized and that was a man I visited without fear or favour way out west, with several firearms standing present. Yes his service was cut off & never restored.

Submitted in good faith.

R. Manning
Narrandera Resident & community citizen
30/6/2021

Sent from [Mail](#) for Windows 10

20.2 FUNDING OPTIONS - LAKE TALBOT POOL CONTRACT SUBSIDY**Document ID: 570034****Author: Deputy General Manager Corporate and Community****Authoriser: Deputy General Manager Corporate and Community****Theme: Statutory and Compulsory Reporting – Financial / Audit****Attachments: Nil****RECOMMENDATION**

That Council

1. Adopts the following 2021-22 budget amendments to fund additional lease payments to the Lake Talbot Pool contractor:

a)	CDM810	Centrelink Agent Fee	\$ 600
b)	GM111	Governance	\$ 17,000
c)	GEM211	Administration - Insurance	\$ 10,500
d)	HR213	Human Resources - Training Exp	\$ 5,000
e)	FM220	Fringe Benefits Tax	\$ 10,000
f)	CT616	Community Services	\$ 2,000
g)	CDM823	Bettering Barellan	\$ 4,489
h)	MPA824	Grong Grong Community	\$ 860
i)	CDM826	Railway Station	\$ 687
j)	CDM827	Parkside Museum	\$ 11,607
k)	CDM828	Arts & Culture	\$ 2,682
l)	EDM1014	Events & Activities Promotion	\$ 5,000
m)	CDM810	Library Computer Seating	\$ 3,000
2. Reflects where possible those reductions in the Long Term Financial Plan.

PURPOSE

The purpose of this report is to identify options to fund additional expenditure required in the lease to be paid to the Lake Talbot Water Park leasee following the awarding of tender T-20/21-11 at Council's July meeting.

SUMMARY

The tender awarded by Council for the lease of the Lake Talbot Water Park requires Council to pay the leasee a fee which is \$73,652 (year 1) and \$92,000 (subsequent years) more than the amount provided in Council's budget and long-term financial plan. To maintain its projected financial position, Council must either raise additional revenue or reduce expenditure by those amounts. Not adjusting the budget would negatively impact Council's financial position at 30 June 2022, with an increased deficit in the operating

result and reduction in the unrestricted cash result. Council's long term financial plan will be amended to reallocate funding to finance the pool lease. The increased contractor subsidy is roughly equivalent to 2% of council's annual general rate revenue.

BACKGROUND

The management contract for the Lake Talbot Water Park expired in June 2020. With a major upgrade underway at the facility and knowledge that the season would be shorter and operations expanded utilising new features at the pool, Council retained the existing contractor in a management role in a cost plus arrangement in which Council funded the operating expense of the facility. This arrangement, which removed the contractor's exposure to operating costs, was in place for the 2020-21 season. Data from this period provided guidance to the likely expenses and revenue potential of the upgraded facility in coming seasons.

In drafting the budget, staff estimated the operating costs a contractor would incur and estimated a management fee along with the revenue from the facility which would be retained by the contractor. The lease fee budgeted for the five years of the contract was \$1,069,164. Council has accepted a contract tender which requires a payment of \$1,527,272, which is \$458,108 more than the funds provided in the adopted budget over the initial term of the contract. For Council to retain its projected financial position, it is necessary to fund the additional amount by increasing revenue or reducing expenditure in other activities.

Revenue Options

Increase rate revenue: Council's long term financial plan uses the anticipated rate increases allowed under the annual rate cap set by the Independent Pricing and Regulatory Tribunal (IPART). If Council wished to raise rate revenue beyond this cap it is required to submit a Special Rate Variation (SRV) to the IPART demonstrating the need for and community support to increase rates beyond the IPART cap. As an example, the neighbouring Federation Council has increased its 2020-21 general rate by 8%. Being the rate cap of 2% and an SRV of 6%. The SRV is specifically to fund the swimming pools within the Federation Shire following the construction of the Corowa Aquatic Centre.

If Narrandera Shire were to pursue a similar course, the SRV required to fund the increase in the subsidy to the pool contractor would be in the order of an additional 2% in the general rate. If applied to all properties in the Shire as an annual charge or part of a base rate, each property would contribute approximately \$30 per annum to the SRV. If the SRV were implemented as a rate, most of the revenue would be levied in the "Farmland" rate category as the majority of the land value is within that rate category. This option could not be implemented until 2021-22 rate levy at the earliest.

Increased user charge revenue: The contract with the pool operator sets the admission prices for the pool in the first year of the contract. Any changes to the admission cost are by negotiation between the contractor and Council. Currently all revenue from the facility is retained by the contractor. Council could propose a \$2 surcharge on all admissions collected by the contractor, with this revenue returned to Council to fund the increased contractor subsidy.

The admission data held by Council and the contractor indicates that the largest proportion of the admission revenue, is collected from users who are not resident within the Shire. This surcharge would be an offset to the increased lease payment but would have much less impact on the cost to ratepayers than the SRV discussed above. This option would require negotiation with the contractor and integration with the annual pass charge, so that residents who purchase an annual pass would not be impacted as much as casual users

of the facility. The contractor may express concerns that the additional charge may reduce patronage and thus the revenue retained by the contractor. The revenue projections from the contractor are very conservative and it is unlikely that the anticipated revenue will not flow to the contractor. If negotiated this surcharge would be implemented for the upcoming season.

Expenditure Options

The subsidy to the contractor is paid as a monthly amount in arrears. There will be 10 monthly payments in the current financial year. The increased subsidy is \$7,634 per month. This requires a reduction of expenditure in the 2021-22 budget of \$76,340 to provide funds to transfer to the increased subsidy. The revised treatment process at the pool has resulted in a saving of approximately \$3,000 in the environmental insurance premium applied to the pool. With this saving applied to the pool expenses the sum of \$73,652 is to be recovered from other functions in 2021-22. In the years following 2021-22, programs in the long term financial plan will be reduced by \$91,608 per year to fund the increased subsidy.

The following items within the 2021-22 budget could be cut to accommodate the saving of \$73,652 within the current financial year. Where possible, these cuts would then be reflected into the long term financial plan to reduce the ongoing operating expense by \$91,608 per year.

Resp	GL #	Item	21/22	22/23	23/24	24/25	25/26
Income							
CDM	810	Centrelink Agent Fee	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600
Total Income			\$ 600	\$ 600	\$ 600	\$ 600	\$ 600
Expenses							
GM	111	Governance	\$ 17,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000
GEM	211	Administration - Insurance	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500
HR	213	Human Resources - Training Exp	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
FM	220	Fringe Benefits Tax	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
CT	616	Community Services	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
CDM	823	Bettering Barellan	\$ 4,489	\$ 4,491	\$ 4,492	\$ 4,494	\$ 4,495
MPA	824	Grong Grong Community	\$ 860	\$ 860	\$ 860	\$ 860	\$ 860
CDM	826	Railway Station	\$ 687	\$ 687	\$ 687	\$ 687	\$ 687
CDM	827	Parkside Museum	\$ 11,607	\$ 11,607	\$ 11,607	\$ 11,607	\$ 11,607
CDM	828	Arts & Culture	\$ 2,682	\$ 2,682	\$ 2,682	\$ 2,682	\$ 2,682
EDM	1014	Events & Activities Promotion	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Total Expenses			\$ 69,825	\$ 60,827	\$ 60,828	\$ 60,830	\$ 60,831
Capital							
CDM	810	Library Computer Seating	\$ 3,000	\$ -	\$ -	\$ -	\$ -
Total Capital			\$ 3,000	\$ -	\$ -	\$ -	\$ -
			21/22	22/23	23/24	24/25	25/26
Income			\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00	\$ 600.00
Expenses			\$69,825.00	\$60,826.50	\$60,828.00	\$60,829.50	\$60,831.00
Capital			\$ 3,000.00	\$ -	\$ -	\$ -	\$ -
Total			\$73,425.00	\$61,426.50	\$61,428.00	\$61,429.50	\$61,431.00

As Council is in only the first month of the new financial year, it is difficult to identify areas where cuts can be made to the 2021-22 budget without being detrimental to service delivery. A summary of the proposed budget amendments follows:

- Insurance premiums 2021-22 have been received, with a saving of \$10,500 from the adopted budget.
- Integrated planning expenses have been lowered by reducing consultation resources and graphic design contracts for reporting. This will impact on the new Community Strategic Plan due for completion this financial year.
- Executive Services have reduced Delegates and Conferences expenses, reducing the attendance of Councillors and staff at conferences mainly due to COVID-19.
- Staff training expenses have been reduced by \$5,000. In conjunction with this, management is looking at ways of reducing the FBT liability resulting from staff undertaking tertiary studies.
- Community halls and museum budgets have been reduced to reflect lower usage because of COVID-19 and extensive capital works in the previous financial year.
- The Narrandera Arts and Community Centre expenses have been reduced, as this building will be occupied by the Visitor Information Centre for the majority of the year.
- Events and activities support has been reduced by \$5,000.
- Capital expenditure of \$3,000 has been removed from the Library as undertaken in the 2020-21 financial year.

This report has not explored options of funding the shortfall from cash reserves as this option was not supported during debate at the July Council meeting

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND OTHER STRATEGIES / MASTERPLANS / STUDIES

Theme

Our Civic Leadership

Strategy

5.1 - To have a Council that demonstrates effective management consistently, also a Council that communicates and engages well with the community and works collaboratively

Action

5.1.4 - Financial sustainability is critical with maximum rate revenue to be achieved and other income sources maximised

ISSUES AND IMPLICATIONS

Policy

- N/A

Financial

- Additional subsidy to the Lake Talbot Water Park contractor requires amendments of \$73,652 to councils 2021-22 budget to achieve the budgeted cash position at 30 June, 2022.

Legal / Statutory

- NA

Community Engagement / Communication

- This report sets out the budget items to have reduced expenditure during 2021-22. These changes will be reflected in Council’s September budget review.

Human Resources / Industrial Relations

- Reduced training resources directed to onboarding staff.

RISKS

Ongoing budgeted cash deficits will see Council’s unrestricted cash consumed.

OPTIONS

1. Deficit budget to accommodate some or all the additional contractor subsidy, with a corresponding reduction in Council’s budgeted cash position.
2. Raise additional revenue by implementing a surcharge as an addition to the Lake Talbot Water Park entrance fee.
3. For the years 2022-23 and beyond, apply a special rate variation of 2% above the IPART cap to fund the additional subsidy.
4. Reduce expenditure in programs outside the Lake Talbot Water Park to release funds for reallocation to the contractor subsidy.

CONCLUSION

Reduce expenditure in programs outside the Lake Talbot Water Park to release funds for reallocation to the contractor subsidy

RECOMMENDATION

That Council

1. Adopts the following 2021-22 budget amendments to fund additional lease payments to the Lake Talbot Pool contractor:

n)	CDM810	Centrelink Agent Fee	\$ 600
o)	GM111	Governance	\$ 17,000
p)	GEM211	Administration - Insurance	\$ 10,500
q)	HR213	Human Resources - Training Exp	\$ 5,000
r)	FM220	Fringe Benefits Tax	\$ 10,000
s)	CT616	Community Services	\$ 2,000
t)	CDM823	Bettering Barellan	\$ 4,489
u)	MPA824	Grong Grong Community	\$ 860
v)	CDM826	Railway Station	\$ 687
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x)	CDM828	Arts & Culture	\$ 2,682
y)	EDM1014	Events & Activities Promotion	\$ 5,000
z)	CDM810	Library Computer Seating	\$ 3,000

Reflects where possible those reductions in the Long Term Financial Plan.

20.3 JULY INCOME STATEMENT**Document ID:** 571553**Author:** Senior Finance Officer**Authoriser:** Deputy General Manager Corporate and Community**Theme:** Statutory and Compulsory Reporting – Financial / Audit**Attachments:** 1. July 2021 Income Statement**RECOMMENDATION**

That Council:

1. Receives and notes the information contained in the Income Statement report for the period ending 31 July 2021.

PURPOSE

The purpose of this report is to present Council with the Statement of Income for the period ending 31 July 2021.

SUMMARY

This report contains operating income and expenditure for Council's General, Water and Sewer Funds. This statement will differ from that in the Annual Financial Statements due to the accrual process and calculation of depreciation.

BACKGROUND**Adopted Budget**

The original budget was adopted by Council on 27 May 2021. The budget will be reviewed at the end of each quarter during the year; subsequent reports will have the revised budget disclosed.

Rates & Annual Charges

Rates & Charges are reported as fully received because revenue is accounted for once the rates levy has been run. Rates notices for 2021/2022 were issued on 2 July 2021.

Depreciation

Depreciation is run on a quarterly basis and will be performed in September.

Major Variations to Budget

There are no major variations to budget evident.

RECOMMENDATION

That Council:

1. Receives and notes the information contained in the Income Statement report for the period ending 31 July 2021.

Narrandera Shire Council

Consolidated Income Statement

for the period ending 31 July 2021

	Original Budget	Actual YTD
Income from continuing operations		
Rates and annual charges	8,253	8,460
User charges and fees	3,338	163
Other revenues	524	75
Grants and contributions provided for operating purposes	7,043	-
Grants and contributions provided for capital purposes	7,199	2
Interest and investment revenue	214	18
Other income	277	26
Net gain from the disposal of assets	91	-
Total income from continuing operations	26,939	8,744
Expenses from continuing operations		
Employee benefits and on-costs	8,414	499
Materials and services	3,489	404
Borrowing costs	9	-
Depreciation and amortisation	5,705	-
Other expenses	1,852	452
Net loss from the disposal of assets	-	-
Total expenses from continuing operations	19,469	1,355
Operating result from continuing operations	7,470	7,389
Operating result from discontinued operations	-	-
Net operating result for the year attributable to Council	7,470	7,389
Net operating result for the year before grants and contributions provided for capital purposes	271	7,387

Narrandera Shire Council

General Fund Income Statement

for the period ending 31 July 2021

	Original Budget	Actual YTD
Income from continuing operations		
Rates and annual charges	6,044	6,173
User charges and fees	1,712	160
Other revenues	524	75
Grants and contributions provided for operating purposes	7,000	-
Grants and contributions provided for capital purposes	5,516	-
Interest and investment revenue	139	18
Other income	277	26
Net gain from the disposal of assets	91	-
Total income from continuing operations	21,303	6,452
Expenses from continuing operations		
Employee benefits and on-costs	6,844	466
Materials and services	2,845	400
Borrowing costs	9	-
Depreciation and amortisation	4,868	-
Other expenses	1,476	435
Net loss from the disposal of assets	-	-
Total expenses from continuing operations	16,042	1,301
Operating result from continuing operations	5,261	5,151
Operating result from discontinued operations	-	-
Net operating result for the year attributable to Council	5,261	5,151
Net operating result for the year before grants and contributions provided for capital purposes	(255)	5,151

Narrandera Shire Council

Water Fund Income Statement

for the period ending 31 July 2021

	Original Budget	Actual YTD
Income from continuing operations		
Rates and annual charges	771	811
User charges and fees	1,464	3
Other revenues	-	-
Grants and contributions provided for operating purposes	23	-
Grants and contributions provided for capital purposes	10	2
Interest and investment revenue	65	-
Other income	-	-
Net gain from the disposal of assets	-	-
Total income from continuing operations	2,333	816
Expenses from continuing operations		
Employee benefits and on-costs	949	15
Materials and services	434	2
Borrowing costs	-	-
Depreciation and amortisation	521	-
Other expenses	220	4
Net loss from the disposal of assets	-	-
Total expenses from continuing operations	2,124	21
Operating result from continuing operations	209	795
Operating result from discontinued operations	-	-
Net operating result for the year attributable to Council	209	795
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	199	793

Narrandera Shire Council

Sewer Fund Income Statement

for the period ending 31 July 2021

	Original Budget	Actual YTD
Income from continuing operations		
Rates and annual charges	1,438	1,476
User charges and fees	162	-
Other revenues	-	-
Grants and contributions provided for operating purposes	20	-
Grants and contributions provided for capital purposes	1,673	-
Interest and investment revenue	10	-
Other income	-	-
Net gain from the disposal of assets	-	-
Total income from continuing operations	3,303	1,476
Expenses from continuing operations		
Employee benefits and on-costs	621	18
Materials and services	210	2
Borrowing costs	-	-
Depreciation and amortisation	316	-
Other expenses	156	13
Net loss from the disposal of assets	-	-
Total expenses from continuing operations	1,303	33
Operating result from continuing operations	2,000	1,443
Operating result from discontinued operations	-	-
Net operating result for the year attributable to Council	2,000	1,443
Net operating result for the year before grants and contributions provided for capital purposes	327	1,443

20.4 JULY STATEMENT OF RATES AND RECEIPTS

Document ID: 571740

Author: Revenue Officer

Authoriser: Deputy General Manager Corporate and Community

Theme: Statutory and Compulsory Reporting – Financial / Audit

Attachments: Nil

RECOMMENDATION

That Council:

1. Receives and notes the information contained in the Statement of Rates and Receipts report as at 30 July 2021.

BACKGROUND

RATES & CHARGES

Arrears as at 01.07.2021	864,910.14
21/22 Rate levies & supplementary levies (excl. postponed amounts)	<u>8,456,140.30</u>
	9,321,050.44
Less Pensioner rebates	<u>204,377.45</u>
NET BALANCE	9,116,672.99
Less receipts to 30.07.2021	<u>858,629.11</u>
	<u><u>8,258,043.88</u></u>

Actual % Rate Collection to Net Balance as at 30.07.2021 = 9.42%

Comparative % Collection to Net Balance as at 30.07.2020 = 8.99%

Anticipated % Collection Rate as at 30.06.2022 = 94.00%

WATER CONSUMPTION / SEWER USAGE CHARGES

Arrears as at 01.07.2021	256,707.64
21/22 Water / Sewer usage charges, supplementary levies & interest	<u>270.38</u>
NET BALANCE	256,978.02
Less receipts to 30.07.2021	<u>58,325.49</u>
	<u><u>198,652.53</u></u>

PURPOSE

The purpose of this report is to present the Statement of Rates and Receipts as at 30 July 2021.

SUMMARY

The Statement of Rates and Receipts are required to be submitted for Council's information each month under Statutory and Compulsory Reporting.

RECOMMENDATION

That Council:

1. Receives and notes the information contained in the Statement of Rates and Receipts report as at 30 July 2021.

20.5 JULY STATEMENT OF INVESTMENTS

Document ID: 571803
Author: Senior Finance Officer
Authoriser: Deputy General Manager Corporate and Community
Theme: Statutory and Compulsory Reporting – Financial / Audit
Attachments: Nil

RECOMMENDATION

That Council:

1. Receives and notes the information contained in the Statement of Investments report as at 31 July 2021.

PURPOSE

The purpose of this report is to enable Council to track the progress of its investments.

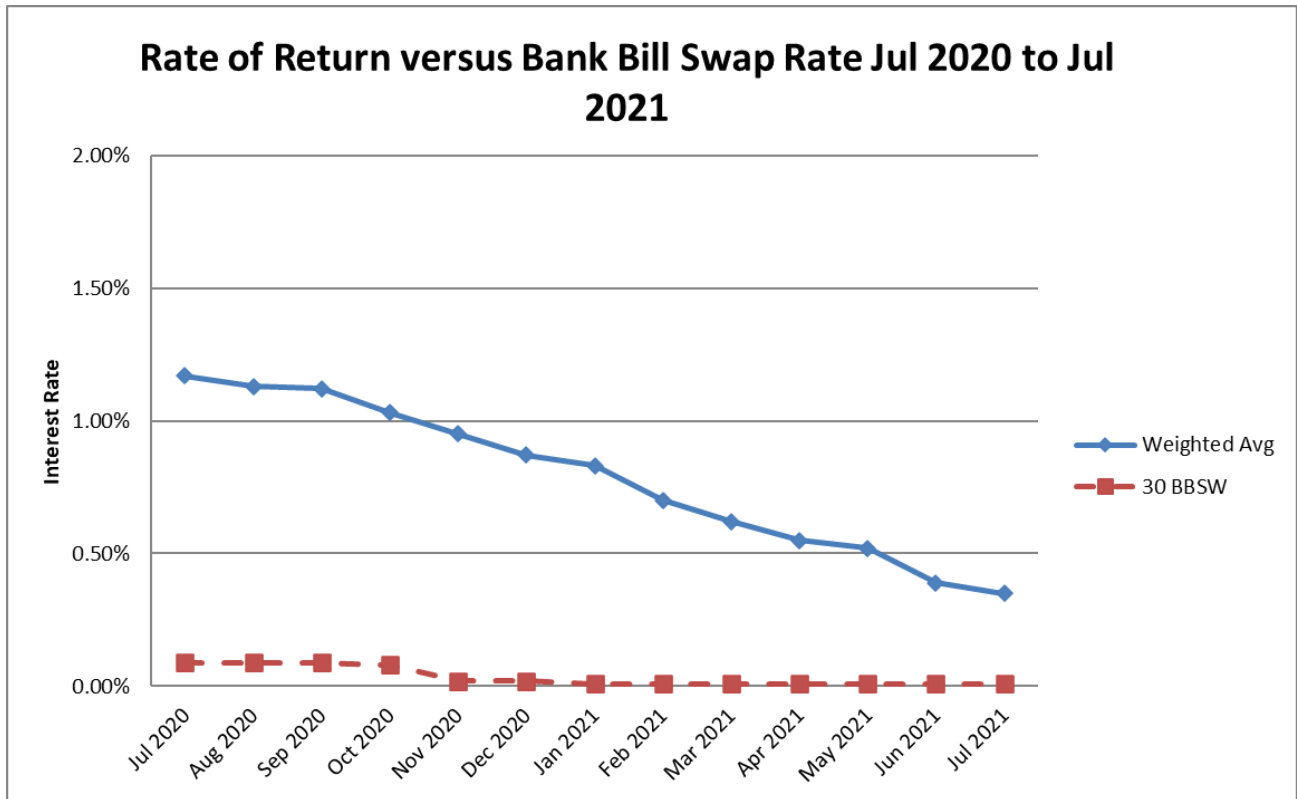
SUMMARY

<u>Fund Balance (GL)</u>	
General	15,424,788.31
Water	7,826,407.58
Sewerage	1,002,781.61
Trust	85,555.94
	24,339,533.44

BACKGROUND

Council Funds				
Banking Authority	Amount	%	Yield	Due Date
<i>Direct Investments A to BBB-</i>				
Elders Rural Bank	1,000,000.00	4.12%	1.51%	18 Oct 2021
Elders Rural Bank	1,000,000.00	4.12%	0.70%	18 Nov 2021
Elders Rural Bank	1,000,000.00	4.12%	0.30%	3 Dec 2021
Bendigo Bank	750,000.00	3.09%	0.78%	11 Aug 2021
Bendigo Bank	1,000,000.00	4.12%	0.50%	19 Aug 2021
Bendigo Bank	1,000,000.00	4.12%	0.50%	3 Dec 2021
<i>Direct Investments AA- to A</i>	5,750,000.00	23.69%		

Direct Investments AAA to AA-				
NAB Cashmaximiser	1,503,977.50	6.20%	0.10%	31 Jul 2021
NAB	1,000,000.00	4.12%	0.85%	9 Aug 2021
NAB	1,000,000.00	4.12%	0.50%	30 Sep 2021
NAB	1,000,000.00	4.12%	0.50%	1 Oct 2021
NAB	1,000,000.00	4.12%	0.30%	4 Jan 2022
NAB	1,000,000.00	4.12%	0.32%	24 Jan 2022
NAB	1,000,000.00	4.12%	0.35%	19 Apr 2022
St George	1,000,000.00	4.12%	0.75%	10 Sep 2021
St George	1,000,000.00	4.12%	0.60%	23 Nov 2021
St George	1,000,000.00	4.12%	0.37%	18 Jun 2022
CBA	1,000,000.00	4.12%	0.42%	24 Feb 2022
CBA	1,000,000.00	4.12%	0.42%	24 Feb 2022
CBA	1,000,000.00	4.12%	0.38%	14 Mar 2022
CBA	1,000,000.00	4.12%	0.42%	16 Mar 2022
CBA	1,000,000.00	4.12%	0.38%	14 Apr 2022
CBA	1,000,000.00	4.12%	0.40%	8 Jun 2022
Westpac	1,000,000.00	4.12%	0.77%	1 Sep 2021
Westpac	1,000,000.00	4.12%	0.34%	26 May 2022
	18,503,977.50	76.24%		
Council Funds	24,253,977.50	100%		
Monthly Investment Performance				
Period Ending	Investments	Weighted Average	BBSW 30 day rate	Variance
Jul 2020	27,469,472.15	1.17%	0.090%	1.08%
Aug 2020	27,469,534.55	1.13%	0.090%	1.04%
Sep 2020	26,909,579.32	1.12%	0.090%	1.03%
Oct 2020	26,959,617.52	1.03%	0.080%	0.95%
Nov 2020	27,209,684.39	0.95%	0.020%	0.93%
Dec 2020	26,009,696.10	0.87%	0.020%	0.85%
Jan 2021	24,259,702.13	0.83%	0.010%	0.82%
Feb 2021	24,659,709.71	0.70%	0.010%	0.69%
Mar 2021	23,659,720.19	0.62%	0.010%	0.61%
Apr 2021	23,668,951.65	0.55%	0.010%	0.54%
May 2021	22,418,960.75	0.52%	0.010%	0.51%
Jun 2021	25,718,971.87	0.39%	0.010%	0.38%
Jul 2021	24,253,977.50	0.35%	0.010%	0.34%
Trust Funds				
Banking Authority	Amount	%	Yield	Due Date
<i>Direct Investments AAA to AA-</i> National Australia Bank (Art Trust)	53,153.58	67.62%	1.45%	2/08/2021
Bendigo Bank (Tourist Trust)	32,402.36	32.38%	1.10%	22/03/2022
Trust Funds	85,555.94			



Individual Limits					
Institution	Rating		Amount Invested	Council %	
Bendigo Bank	BBB+	A2	\$ 2,782,402.36	11.4%	Max 20%
Elders Rural Bank	BBB+	A2	\$ 3,000,000.00	12.3%	Max 20%
IMB	BBB	A2	\$ -	0.0%	Max 20%
NAB	AA-	A1+	\$ 7,557,131.08	31.1%	Max 35%
Suncorp	A+	A1	\$ -	0.0%	Max 25%
StGeorge	AA	A1+	\$ 3,000,000.00	12.3%	Max 35%
Macquarie Bank	A-	A1	\$ -	0.0%	Max 25%
Commonwealth Bank	AA-	A1+	\$ 6,000,000.00	24.7%	Max 35%
Westpac	AA	A1+	\$ 2,000,000.00	8.2%	Max 35%

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND OTHER STRATEGIES / MASTERPLANS / STUDIES

The investments listed above have been made in accordance with the Local Government Act, the Regulations and Council’s Investment Policy.

ISSUES AND IMPLICATIONS

Policy

- N/A

Financial

- N/A

Legal / Statutory

- Compliance with Clause 212 Local Government Regulation 2005

Community Engagement / Communication

- N/A

Human Resources / Industrial Relations (if applicable)

- N/A

RISKS

- The Reserve Bank has announced interest rates are anticipated to remain low for two years. This presents a risk to the return received on future investments placed.

RECOMMENDATION

That Council:

1. Receives and notes the information contained in the Statement of Investments report as at 31 July 2021.

20.6 JULY STATEMENT OF BANK BALANCES

Document ID: 572117
Author: Costing Officer
Authoriser: Deputy General Manager Corporate and Community
Theme: Statutory and Compulsory Reporting – Financial / Audit
Attachments: Nil

RECOMMENDATION

That Council:

1. Receives and notes the information contained in the Statement of Bank Balances report as of 31 July 2021.

PURPOSE

The purpose of this report is to make Council aware of the amount of funds held in its operating account.

BACKGROUND

Opening Cashbook Balance	878,421.96
Plus Receipt	5,410,311.00
Less Payments	5,618,685.43
Current Cashbook Balance	670,047.53
Statement Summary	
Opening Statement Balance	877,299.66
Plus Receipts	5,359,267.47
Less Payments	5,623,819.48
Current Statement Balance	612,747.65
Plus Unpresented Receipts	57,274.68
Less Unpresented Payments	25.20
Reconciliation Balance	670,047.53
GL BALANCE	670,047.53
Unpaid Creditors	80,810.91
Overdraft Limit arranged with Bank 01/01/1989	350,000.00

RECOMMENDATION

That Council:

1. Receives and notes the information contained in the Statement of Bank Balances report as of 31 July 2021.

20.7 JULY CAPITAL WORKS PROGRAM**Document ID:** 572149**Author:** Senior Finance Officer**Authoriser:** Deputy General Manager Corporate and Community**Theme:** Statutory and Compulsory Reporting – Financial / Audit**Attachments:**

1. July 2021 Capital Works Program
2. July 2021 Capital Expenditure
3. July 2021 Operating Expenditure

RECOMMENDATION

That Council:

1. Receives and notes the information contained in the Capital Works report as of 31 July 2021.

PURPOSE

The purpose of this report is to enable Council to track the progress of capital works programs. This report is for the period ending 31 July 2021.

BACKGROUND

Works listed in the attachment are for works against new budgeted projects for the 2021/2022 year. Key operational expenses are also included in this report and have been highlighted separately.

PROGRESS TO DATE IN EACH AREA**Administration**

Administration projects are scheduled as follows:

- Software Licencing will be reviewed throughout the year.
- New iPads for ELT and selected staff have been ordered as part of the Councillor iPad Project.
- Consultant has been organised to perform a review of the public CCTV system for the Main Street.
- The Disaster Recovery Plan will commence in August.
- The Integrated Software System will commence in August and continue through the financial year.
- Mobile Device Management will commence in September.
- Secure Wireless Network and Replace Firewall projects will commence in October.
- GIS Imagery will commence in December.
- Replacement of Network Switches will commence in January 2022.
- Replacement of Desktops and Laptops will commence in May 2022.

Public Order & Safety

- Quotations for the purchase and installation of a gatekeeper's shelter for the Waste Depot Improvement Works at Barellan Landfill are currently being sought.

Environment

- Narrandera West Drainage Improvements are subject to an easement over the existing basin. Awaiting Land Council's approval.
- Design is to be finalised for Drainage Improvements at Driscoll Road. Pipes to be ordered in August.
- Scope and quotation specifications are currently being developed for the Cemetery Management Plans, Master planning, Management and Mapping software, as per the cemetery service review. Quotations will be planned for September.

Housing & Community Amenities

- Furniture for the Narrandera Cemetery will be ordered in September.

Recreation & Culture

- Project Scope is being defined for the Lake Talbot Pool Remediation works.
- Book & Resources annual replacement purchasing is on target.
- Replacement Computer Seating for the library was purchased in 2020-2021 financial year. Assembly and installation are underway.
- Council's Building Maintenance Coordinator is providing a scope and timeframe for delivery for the Narrandera Park Oval Grandstand upgrade.
- Project investigation to commence in August for the Lake Talbot Pool installation of Shade structures and seating located on Plant Room, with project planned to be completed before Christmas, subject to availability.
- OSR New Shed design is under review and ready for procurement.
- Signs are to be installed at Grong Grong Earth Park and Henry Mathieson Oval for the Remote Signage Project.
- Meeting has taken place with representatives for the Marie Bashir Park Irrigation Management System. Quotation specification to be developed in September.
- The festive decorations will be ordered in September for the Barellan Playground Upgrades and festive decorations project.
- Quotations to be sought in September for the Boat purchase.
- Design has been reviewed for the Narrandera Sportsground drainages and soak. Works are scheduled for October.
- Procurement is expected in November for the Narrandera Playgrounds Upgrades.
- Scope of works is being developed for the Lake Talbot Recreation toilet block landscaping. Works planned for November.
- Additional seating and soft fall upgrades are to be ordered in November for the Narrandera Adventure Playground Upgrades.

Playground on the Murrumbidgee

- The Northbank Walking Track – Bike and Hike trails project scope is being defined.
- Detailed design being completed for the Northbank Pedestrian Bridge prior to the procurement process.
- Materials have been ordered for the Lake Talbot Tourist Park playground. Construction to commenced late August.
- Heritage Section 60 approvals are now being sought for the Lattice Railway Bridge.
- Lake Talbot deepening works are grant dependant.

Fixing Local Roads

- Roads Resheeting (Unsealed Rural Roads Resheeting) and Rural Road reseals (Kamarah Road Heavy Vehicle, Erigolia Road Heavy Vehicle and Cowabbie Road Northern Bus Route) is co contribution to match Fixing Local Roads Round 3 Grant application.
- Sandigo Road is awaiting final seal for the FCR - Sandigo Kywong School Bus Route. Rosedale Road works to be completed in second quarter.

Fixing Country Bridges

- Molly's Bridge and Somerset Bridge is at design and tender phase.

Transport & Communication

- Works to be scheduled are: Urban Roads Construction. Urban Roads Construction – Laneways, Arthur Lane – Victoria to Bolton Street and Arthur Lane – King to Whitton Street. Urban Pavement Rehabilitation, Urban Kerb and Gutter Replacement.
- Works to be completed in second quarter are: Urban reseals including Bendee, Bolton, Boundary, Dalgetty, Douglas, Mallee, Shady, Wilga Streets and Victoria Avenue.
- Awaiting grant funding announcement for Urban Footpath to railway overpass.
- Works are to be scheduled for: Urban Footpath Replacement, Active transport – Walking, and PAMP – Urban Footpath Cadell Street (Twynam and Audley Street).
- Roads Resheeting (Unsealed Rural Roads Resheeting) and Rural Road reseals is co contribution to match Fixing Local Roads Round 3 Grant application.

Works to be completed in second quarter include:

- Roads to recovery 100% funded resheeting projects include Druces, Pethers, Galore Park, Holloway, Bogolong, Pinehope, Baldwins Roads.
- Roads to Recovery Rural (75% of R2R funding proposed to spend on Rural Area Grant) projects include Strontian, Federal Park, Sandy Creek Road Reseals.
- Regional Roads capital component of Block Grant include MR243, MR370, MR596 and MR7608.
- Awaiting grant approval notification for the LED Street Lighting Replacement which is expected in September.

Economic Affairs

- Branding Strategy project includes signage for Narrandera.

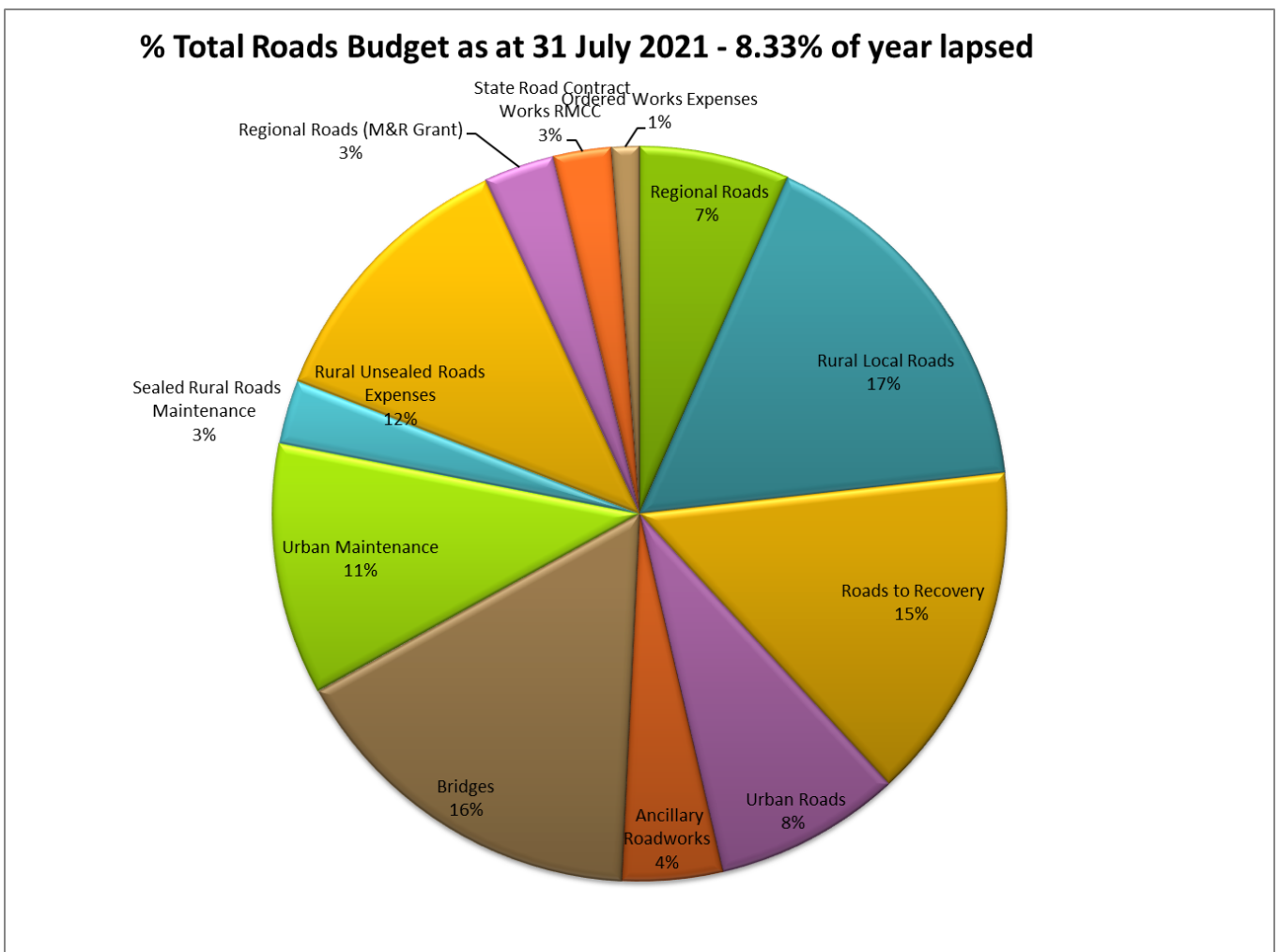
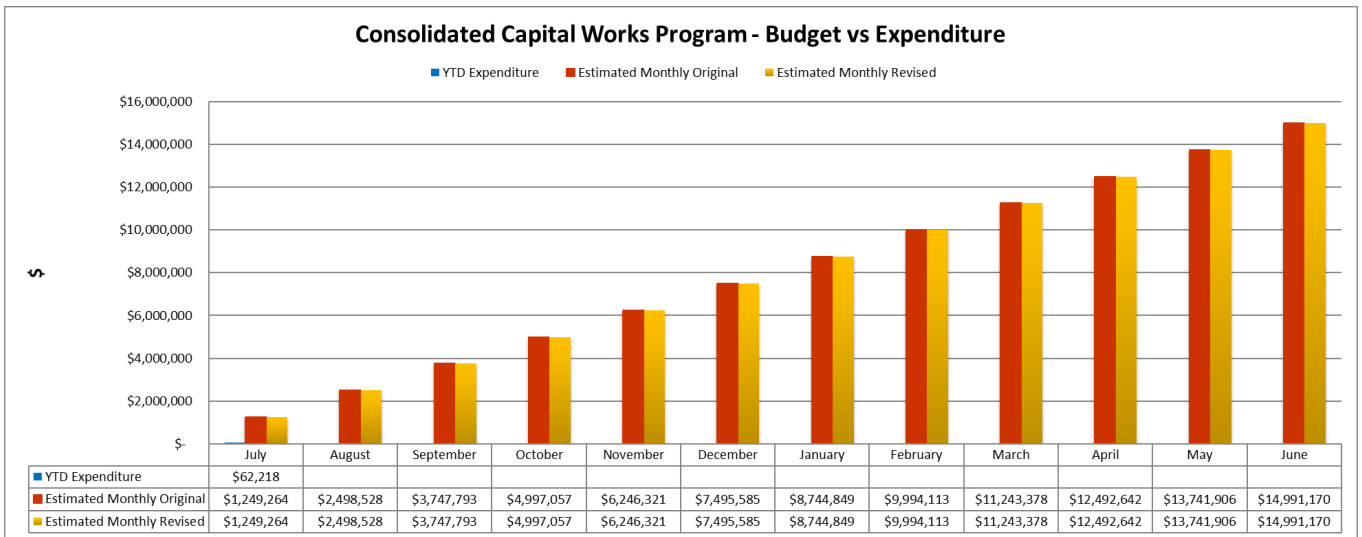
- Continuing development opportunity exists for the Australian Airline Airport Pilot Academy.
- Building Renewal and Upgrades portfolio of Projects & Assets Manager, Annual program has been identified, scoped and procurement underway.
- Brief to be finalised in August for the Solar Panels. Awaiting grant approval in September.
- Project scope is being defined for the Workshop Vehicle Wash Bay.
- Scope is being developed for Light Vehicles, Trucks and Trailers, and Heavy Plant Sales.
- Other Plant Capital Replacements will be undertaken as required.

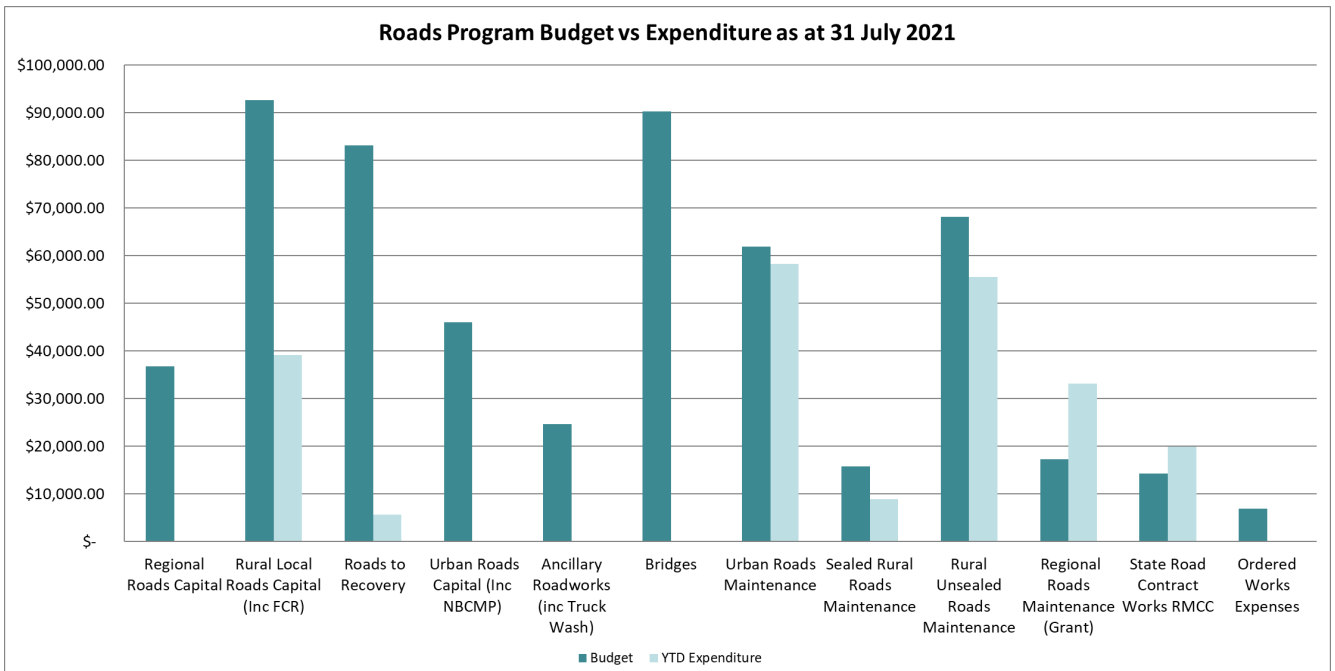
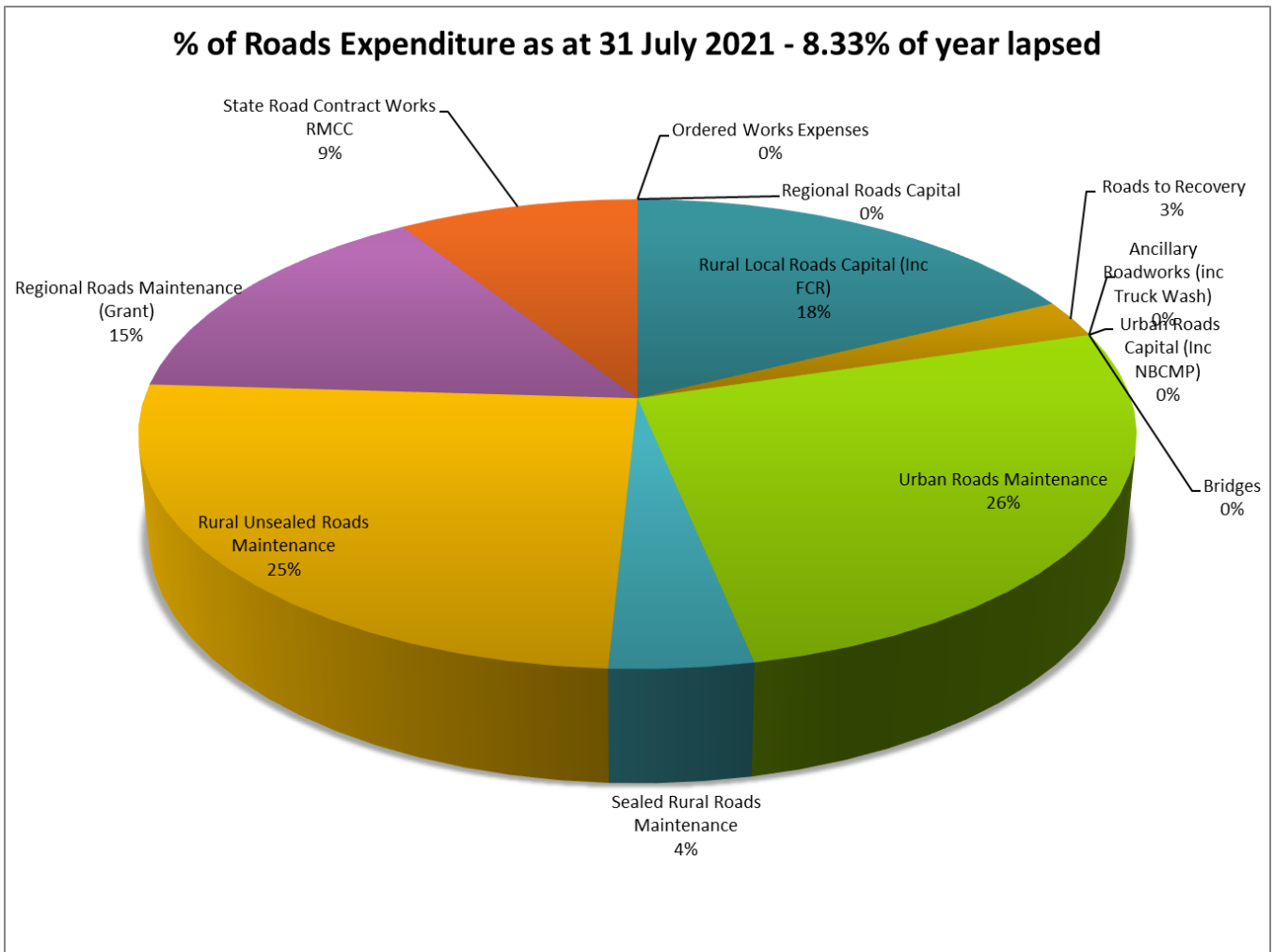
Water Supplies

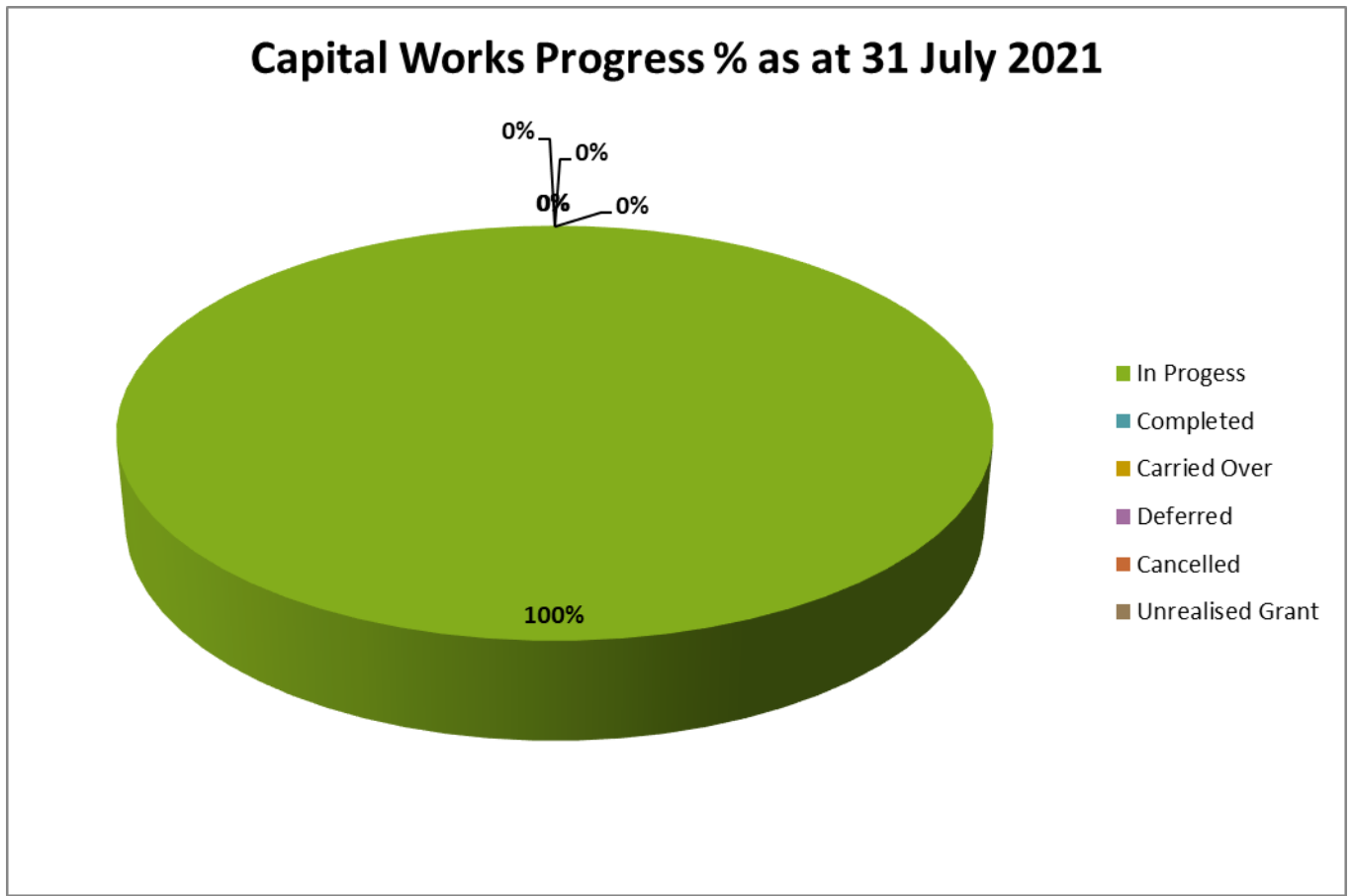
- Hydrant and Valve replacements program is being developed.
- Service replacements will commence as required.
- Hydraulic model is complete for the North Zone Pressure Pump low pressure issues. Specifications are being developed.
- Adams, King and Elwin Street Water Main Replacement is continuing. Program for 2021/22 is being developed.
- Program for the 2021/2022 being developed for the cul-de-sac ring mains. Works to start once watermain replacements are complete.
- Pine Hill Reservoir fencing project will start, once the new Reservoir is complete.
- The Pine Hill Pumps Replacement is still to be programmed after the Reservoir construction is complete.
- Gordon Street fencing specifications are being developed.
- Telemetry Software Upgrade and Hardware Upgrade specifications are complete, works to be programmed prior to Christmas.
- Quotes are to be arranged for the purchase of a Valve Exerciser.

Sewerage Supplies

- The Barellan Sewer design tender has been awarded and is underway with anticipated completion August 2021.
- Solar Panel works are continuing from last financial year. To be completed in September.
- Telemetry Software Upgrade and Hardware Upgrade specifications are complete, works to be programmed prior to Christmas.







TERMINOLOGY

This report contains an explanation of terminology and headings used in the capital works report. Key terms and terminology are as follows:

Ledger Number - This is a reference number for staff to link the report to Council’s accounting records.

Capital works are funded from several sources. Codes that denote revenue sources are:

- **Revenue** – Projects funded from revenue raised from Rates & Annual charges, User Fees and Other Revenue.
- **Reserve** – Jobs funded from Council’s reserves and unspent grants.
- **Grant & Contributions** - Funding from other Government departments, Councils or organisations.

Budget – This is the total allocation to complete the project.

YTD Exp – Total expenditure allocated to project as of report date, including commitments.

Balance – Amount of unspent funds for each program at reporting date.

Graph – The graph at the top of the report displays the original budget adopted by Council, the revised budget and year to date expenditure, including commitments.

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND OTHER STRATEGIES / MASTERPLANS / STUDIES

Theme

Our Infrastructure

Goal

To have an improved and adequately maintained road network

Strategy

56 - Commence identified actions from the Roads Review including implementation of an effective road hierarchy

Action

56.1 - Funding for and any identified projects and opportunities from the strategy to be included and considered by Council as part of the annual budget process

ISSUES AND IMPLICATIONS**Policy**

- N/A

Financial

- Advises Council of the status of the Capital Works Program.

Legal / Statutory

- N/A

Community Engagement / Communication

- N/A

Human Resources / Industrial Relations (if applicable)

- N/A

RISKS

N/A

RECOMMENDATION

That Council:

1. Receives and notes the information contained in the Capital Works report as of 31 July 2021.

KEY OPERATIONAL & CAPITAL WORKS EXPENSES 2021-22 - as at 31 July 2021

Complete	Unrealised Grant	Cancelled
Carryover	Key Operational	Deferred

8.33%

Project	Proposed Budget	Commitment	Revised Budget	YTD Expenditure	Balance	%	Comments
1 Replace Desktops/Laptops	20,000	\$ 2,192.00	\$ 20,000.00	\$1,382.00	\$16,426.00	7%	Will commence in May.
2 Software Licencing	20,000	\$ 2,700.00	\$ 20,000.00	\$2,700.00	\$14,600.00	14%	Will review throughout the year.
3 Councillor iPad Project	5,000	\$ 3,494.00	\$ 5,000.00	\$0.00	\$1,506.00	0%	New iPads for ELT and selected staff have been ordered.
4 Replace Firewall	35,000		\$ 35,000.00	\$0.00	\$35,000.00	0%	Will commence in October.
5 Secure Wireless Network	15,000		\$ 15,000.00	\$0.00	\$15,000.00	0%	Will commence in October.
6 Replace Network Switches	25,000		\$ 25,000.00	\$0.00	\$25,000.00	0%	Will commence in January.
7 Disaster Recovery Planning	5,000		\$ 5,000.00	\$0.00	\$5,000.00	0%	Will commence in August.
8 Mobile Device Management	10,000		\$ 10,000.00	\$0.00	\$10,000.00	0%	Will commence in September.
9 Integrated Software System	20,000		\$ 20,000.00	\$0.00	\$20,000.00	0%	Will commence in August and continue through the financial year.
10 GIS Imagery	10,000		\$ 10,000.00	\$0.00	\$10,000.00	0%	Will commence in December.
11 CCTV system for the Main Street	60,000	\$ 5,134.00	\$ 60,000.00	\$0.00	\$54,866.00	0%	Organised consultant to perform a review of the public CCTV systems to start project.
12 Waste Depot Improvement Works Barellan	87,000		\$ 87,000.00	\$0.00	\$87,000.00	0%	Quotations for the purchase and installation of a gatekeepers shelter are currently being sought for the Barellan Landfill.
13 Furniture - Narrandera Cemetery	5,000		\$ 5,000.00	\$0.00	\$5,000.00	0%	furniture will be ordered September.
14 Narrandera West Drainage Improvements	28,000		\$ 28,000.00	\$0.00	\$28,000.00	0%	Subject to an easement over existing basin awaiting Land Councils approval.
15 Drainage Improvements Driscoll Road	60,000		\$ 60,000.00	\$612.07	\$59,387.93	1%	Design to be finalised and pipes to be ordered August .
16 Cemetery mangement plans, master planning, management and mapping software - as per cemetery service review	70,000		\$ 70,000.00	\$0.00	\$70,000.00	0%	Scope and quotation specification currently being developed. Quotations will be planned for September.
17 Book & Resources annual replacement	30,896	\$ 2,548.91	\$ 30,896.00	\$0.00	\$28,347.09	0%	Purchasing on target.
18 Replacement of Computer Seating	3,000		\$ 3,000.00	\$0.00	\$3,000.00	0%	replacement computer/desk seats for clients and staff were purchased and received in the 2020-2021 financial year. Assembly and installation are underway.
19 LT Pool Remediation Works	136,000		\$ 136,000.00	\$0.00	\$136,000.00	0%	Project scope being defined.
20 LT Pool Install shade structures and seating located on Plant Room	60,000		\$ 60,000.00	\$0.00	\$60,000.00	0%	Project investigation to commence in August with project planned to be completed before Christmas, subject to availability.
21 Narrandera Sportsground Drainages & Soak	95,000		\$ 95,000.00	\$0.00	\$95,000.00	0%	Works schedules for October 2021.
22 Ndra Park Oval Grandstand upgrade	20,000		\$ 20,000.00	\$0.00	\$20,000.00	0%	Councils Carpenter is providing a scope and timeframe for delivery.
23 MBP Irrigation management system	125,000		\$ 125,000.00	\$0.00	\$125,000.00	0%	Meeting has taken place with representatives, quotation spec to be developed September.
24 OSR New Shed	125,000		\$ 125,000.00	\$0.00	\$125,000.00	0%	Design under review and ready for procurement.
25 Remote Signage	7,500		\$ 7,500.00	\$0.00	\$7,500.00	0%	Signs to be installed at Grong Grong Earth Park and Henry Mathieson Oval
26 Narrandera Playgrounds Upgrades	10,000		\$ 10,000.00	\$0.00	\$10,000.00	0%	Procurement expected November.
27 Narrandera Adventure Playground Upgrades	25,000		\$ 25,000.00	\$0.00	\$25,000.00	0%	Additional seating, softfall upgrades to be ordered November.
28 Brln Playground Upgrades and festive decorations	10,000		\$ 10,000.00	\$0.00	\$10,000.00	0%	Festive decorations will be ordered September.
29 Northbank Pedestrian Bridge	283,639	\$ 22,318.18	\$ 283,639.00	\$0.00	\$261,320.82	0%	Detailed design being completed, prior to the procurment process.
30 Extension of Bike & Hike Trails	61,967		\$ 61,967.00	\$2,443.18	\$59,523.82	4%	Project scope being defined.
31 Lattice Railway Bridge	822,000		\$ 822,000.00	\$5.40	\$821,994.60	0%	Hertiage s60 approvals now being sought
32 LTTP New Playground	60,741	\$ 66,156.36	\$ 60,741.00	\$526.83	-\$5,942.19	1%	Materials ordered, construction to commence late August.
33 LT Rec Toilet block landscaping	20,000		\$ 20,000.00	\$0.00	\$20,000.00	0%	Developing scope of works landscaping planned for November.
34 LT Deepening Works	2,000,000		\$ 2,000,000.00	\$0.00	\$2,000,000.00	0%	Grant dependent
35 Boat Purchase	10,000		\$ 10,000.00	\$0.00	\$10,000.00	0%	Quotations to commence September.
36 Urban Roads Construction	131,381		\$ 131,381.00		\$131,381.00	0%	Works to be scheduled
37 Urban Roads Construction - Laneways	40,922		\$ 40,922.00		\$ 40,922.00	0%	Works to be scheduled

KEY OPERATIONAL & CAPITAL WORKS EXPENSES 2021-22 - as at 31 July 2021

Complete	Unrealised Grant	Cancelled
Carryover	Key Operational	Deferred

8.33%

	Project	Proposed Budget	Commitment	Revised Budget	YTD Expenditure	Balance	%	Comments
38	Arthur Ln - Victoria to Bolton	-		\$ -	\$0.00		#DIV/0!	Works to be scheduled
39	Arthur Lane - King to Whitton Street	-		\$ -	\$0.00		#DIV/0!	Works to be scheduled
40	Urban Reseals	120,612		\$ 120,612.00		\$ 120,612.00	0%	
41	Bendee Street	-		\$ -	\$0.00		#DIV/0!	Works to be completed second quarter
42	Bolton Street	-		\$ -	\$0.00		#DIV/0!	Works to be completed second quarter
43	Boundary Road	-		\$ -	\$0.00		#DIV/0!	Works to be completed second quarter
44	Dalgetty Street	-		\$ -	\$0.00		#DIV/0!	Works to be completed second quarter
45	Douglas Street	-		\$ -	\$0.00		#DIV/0!	Works to be completed second quarter
46	Mallee Street	-		\$ -	\$0.00		#DIV/0!	Works to be completed second quarter
47	Shady Street	-		\$ -	\$0.00		#DIV/0!	Works to be completed second quarter
48	Victoria Avenue	-		\$ -	\$0.00		#DIV/0!	Works to be completed second quarter
49	Wilga Street	-		\$ -	\$0.00		#DIV/0!	Works to be completed second quarter
50	Urban Pavement Rehabilitation	132,458		\$ 132,458.00	\$0.00	\$132,458.00	0%	Works to be scheduled
51	Urban Laneways Updgrade - additional	-		\$ -	\$0.00	-\$0.00	#DIV/0!	
52	Urban K&G Replacement	15,759		\$ 15,759.00	\$0.00	\$15,759.00	0%	Works to be scheduled
53	Urban Footpath Add. Funds requested - To railway overpass	100,000		\$ 100,000.00	\$0.00	\$100,000.00	0%	Awaiting Grant Funding announcement
54	Urban Footpath Replacement	10,506	\$ 94.36	\$ 10,506.00	\$23.41	\$10,388.23	0%	Works to be scheduled
55	Roads Resheeting - (Unsealed rural roads resheeting)	297,368		\$ 297,368.00	\$0.00	\$297,368.00	0%	Co contribution to match Fixing Local Roads Road 3 grant application
56	Roads to Recovery	997,362		\$ 997,362.00		\$ 994,525.12	0%	
57	Strontian Road - Reseal	-		\$ -	\$0.00		#DIV/0!	
58	Federal Park Road - Reseal	-		\$ -	\$0.00		#DIV/0!	
59	Sandy Creek Road - Reseal	-		\$ -	\$0.00		#DIV/0!	
60	Druces Road (4.35 to 5.35) Resheeting	-		\$ -	\$0.00		#DIV/0!	Works to be completed second quarter
61	Pethers Road (0.0 to 0.3) Resheeting	-		\$ -	\$0.00		#DIV/0!	Works to be completed second quarter
62	Galore Park Road (0.0 to 1.3) Resheeting	-		\$ -	\$0.00		#DIV/0!	Works to be completed second quarter
63	Holloway Road (0.0 to 1.97) Resheeting	-		\$ -	\$0.00		#DIV/0!	Works to be completed second quarter
64	Bogolong Road (6.94 to 9.8) Resheeting	-		\$ -	\$0.00		#DIV/0!	Works to be completed second quarter
65	Pinehope Road (1.69 to 2.69) Resheeting	-		\$ -	\$1,418.44		#DIV/0!	Works to be completed second quarter
66	Baldwins Road (0.0 to 0.75) Resheeting	-		\$ -	\$1,418.44		#DIV/0!	Works to be completed second quarter
67	Holloway Road (2.5 to 4.0) Resheeting	-		\$ -	\$0.00		#DIV/0!	Works to be completed second quarter
68	Rural Roads Reseals	153,995		\$ 153,995.00		\$ 141,252.84	0%	Co contribution to match Fixing Local Roads Road 3 grant application
69	FLR - Kamarah Road Heavy vehicle	-		\$ -	\$0.00		#DIV/0!	Co contribution to match Fixing Local Roads Road 3 grant application
70	FLR - Erigolia Road Heavy Vehicle	-		\$ -	\$0.00		#DIV/0!	Co contribution to match Fixing Local Roads Road 3 grant application
71	FLR - Cowabbie Road Northern bus route	-		\$ -	\$0.00		#DIV/0!	Co contribution to match Fixing Local Roads Road 3 grant application
72	Red Hill Road	-			\$0.01			
73	Bassetts Road	-			\$12,742.15			
74	FCR - Sandigo Kywong school bus route	454,440		\$ 454,440.00	\$19,557.42	\$434,882.58	4%	Sandigo Road awaiting final seal. Rosedale works to be completed second quarter.
75	Rural Sealed Roads Construction	206,620		\$ 206,620.00	\$0.00	\$206,620.00	0%	
76	Regional Roads Capital Works (Capital Component of Block Grant)	268,200		\$ 268,200.00		\$ 259,115.85	0%	Barellan Road works to be completed second quarter
77	MR243			\$ -	\$0.00		#DIV/0!	As required.
78	MR370		\$ 1,900.72	\$ -	\$0.00		#DIV/0!	As required.
79	MR596			\$ -	\$0.00		#DIV/0!	As required.
80	MR7608		\$ 7,183.43	\$ -	\$0.00		#DIV/0!	Barellan Road works to be completed second quarter

KEY OPERATIONAL & CAPITAL WORKS EXPENSES 2021-22 - as at 31 July 2021

Complete	Unrealised Grant	Cancelled
Carryover	Key Operational	Deferred

8.33%

	Project	Proposed Budget	Commitment	Revised Budget	YTD Expenditure	Balance	%	Comments
81	Repair Grant (with 50 % contribution from Block Grant)	173,200		\$ 173,200.00	\$0.00	\$173,200.00	0%	
82	Fixing Country Bridges	1,083,532		\$ 1,083,532.00		\$ 1,083,532.00	0%	
83	FCB - Molly's Bridge	-		\$ -	\$0.00		#DIV/0!	design and tender phase
84	FCB - Somerset Bridge	-		\$ -	\$0.00		#DIV/0!	design and tender phase
85	LED Street Lighting Replacement	350,000		\$ 350,000.00	\$0.00	\$350,000.00	0%	Waiting grant approval notification expected September.
86	Active Transport - Walking	270,000		\$ 270,000.00	\$0.00	\$270,000.00	0%	Works to be scheduled
87	PAMP - Urban Footpath Cadell st (Tywnam and Audley Sts)	25,000		\$ 25,000.00	\$0.00	\$25,000.00	0%	Works to be scheduled
88	Building renewal and upgrades in portfolio of Manager of Works	146,000	\$ 24,367.55	\$ 146,000.00	\$969.44	\$120,663.01	1%	Annual program has been identified scoped and procurement underway.
89	Solar Panels	100,000		\$ 100,000.00	\$0.00	\$100,000.00	0%	Brief to be finalised August. Awaiting grant approval in September.
90	Workshop vehicle washbay	100,000		\$ 100,000.00	\$0.00	\$100,000.00	0%	Project scope being defined.
91	Building Renewal Works and Paint Roof	-		\$ -	\$0.00	\$0.00	#DIV/0!	
92	Carpark, Apron and hangar lighting improvements	-		\$ -	\$0.00	\$0.00	#DIV/0!	
93	Light Vehicles	462,509		\$ 462,509.00	\$0.00	\$462,509.00	0%	Scope being developed
94	Trucks & Trailers	517,600		\$ 517,600.00	\$0.00	\$517,600.00	0%	Scope being developed
95	Heavy Plant Sales	492,963		\$ 492,963.00	\$0.00	\$492,963.00	0%	Scope being developed
96	Other Plant Capital	20,000		\$ 20,000.00	\$0.00	\$20,000.00	0%	Scope being developed
97	Water Main Replacements	300,000	\$ 24,696.46	\$ 300,000.00	\$22,065.88	\$253,237.66	7%	Adams, King and Elwin Street main replacements continuing. Program for 2021/22 being developed.
98	Hydrant and Valve replacements	65,000		\$ 65,000.00	\$0.00	\$65,000.00	0%	Program for 2021/22 being developed.
99	North Zone Pressure Pump - low pressure issues	40,000		\$ 40,000.00	\$68.16	\$39,931.84	0%	Hydraulic model complete, specification being developed.
100	Solar	95,000		\$ 95,000.00	\$0.00	\$95,000.00	0%	
101	Services Replacements	20,000	\$ 734.28	\$ 20,000.00	\$2,277.57	\$16,988.15	11%	As required.
102	Pine Hill Pumps Replacement	50,000		\$ 50,000.00	\$0.00	\$50,000.00	0%	Still to be programmed after reservoir construction is complete.
103	Gordon St fencing	50,000		\$ 50,000.00	\$0.00	\$50,000.00	0%	Specification being developed.
104	Pine Hill reservoir fencing/ demolition	50,000		\$ 50,000.00	\$0.00	\$50,000.00	0%	Project will start once new reservoirs are complete.
105	Cul-de-sac ring mains	140,000		\$ 140,000.00	\$0.00	\$140,000.00	0%	Program for 2021/22 being developed. To start once watermain replacements are complete.
106	Valve Exerciser + Non destructive digger	135,000		\$ 135,000.00	\$0.00	\$135,000.00	0%	Quotes to be arranged
107	Telemetry software upgrade	40,000		\$ 40,000.00	\$0.00	\$40,000.00	0%	Specifications complete, works to be programmed prior to christmas.
108	Telemetry hardware upgrade	150,000		\$ 150,000.00	\$0.00	\$150,000.00	0%	Specifications complete, works to be programmed prior to christmas.
109	Sewer Main Relines	350,000	\$ 54.55	\$ 350,000.00	\$4,269.58	\$345,675.87	1%	Works continuing on from last financial year, to be completed in September.
110	Solar	95,000		\$ 95,000.00	\$0.00	\$95,000.00	0%	Works continuing on from last financial year, to be completed in September.
111	Barellan Sewer	2,220,000	\$ 234,826.59	\$ 2,220,000.00	\$2,507.85	\$1,982,665.56	0%	Design tender awarded and design underway. Design to be complete by August 2021.
112	Telemetry software upgrade	40,000		\$ 40,000.00	\$0.00	\$40,000.00	0%	Specifications complete, works to be programmed prior to christmas.
113	Telemetry hardware upgrade	100,000		\$ 100,000.00	\$0.00	\$100,000.00	0%	Specifications complete, works to be programmed prior to christmas.
114	Branding Strategy	2,350		\$ 2,350.00	\$0.00	\$2,350.00	0%	signage for Narrandera/decals
115	Aust Airline Airport Academy	9,958		\$ 9,958.00	\$0.00	\$9,958.00	0%	Continuing development opportunity exists.
116	Grong Grong Earth Park - RMS	17,111		\$ 17,111.00	\$1,563.64	\$15,547.36	9%	Community Project.
117	Newell Hwy Contribution Grong Grong Reseal	93,050		\$ 93,050.00	\$0.00	\$93,050.00	0%	Inspection required
118	Newell Hwy Contribution Grong Grong town entrance signs	8,000		\$ 8,000.00	\$0.00	\$8,000.00	0%	Signs being confirmed.
119	Urban Roads Maintenance	\$641,600.00	\$ 10,681.12	\$ 641,600.00	\$58,287.70	\$572,631.18	9%	Ongoing operational costs
120	Sealed Rural Roads Maintenance	\$188,700.00	\$ 2,862.64	\$ 188,700.00	\$8,900.76	\$176,936.60	5%	Ongoing operational costs
121	Rural Unsealed Roads Expenses	\$817,800.00	\$ 6,081.52	\$ 817,800.00	\$55,466.97	\$756,251.51	7%	Ongoing operational costs

KEY OPERATIONAL & CAPITAL WORKS EXPENSES 2021-22 - as at 31 July 2021

Complete	Unrealised Grant	Cancelled
Carryover	Key Operational	Deferred

8.33%

Project	Proposed Budget	Commitment	Revised Budget	YTD Expenditure	Balance	%	Comments
122 Regional Roads (M&R Grant)	\$207,600.00		\$ 207,600.00	\$33,076.89	\$174,523.11	16%	Ongoing operational costs
123 State Road Contract Works RMCC	\$170,500.00	\$ 9,719.93	\$ 170,500.00	\$19,903.02	\$140,877.05	12%	Ongoing operational costs
124 Ordered Works Expenses - MR 84	\$82,000.00		\$ 82,000.00	\$0.00	\$82,000.00	0%	Ongoing operational costs
125 Noxious Weeds Expenses	\$158,711.00		\$ 158,711.00	\$14,492.73	\$144,218.27	9%	Ongoing operational costs
126 Public Toilets Expenses	\$75,333.00		\$ 75,333.00	\$15,299.75	\$60,033.25	20%	Ongoing operational costs
127 Cemetery Expenses	\$129,123.00		\$ 129,123.00	\$12,799.75	\$116,323.25	10%	Ongoing operational costs
128 Sports Ground Expenses	\$197,603.00		\$ 197,603.00	\$16,451.87	\$181,151.13	8%	Ongoing operational costs
129 Parks Expenses	\$531,552.00		\$ 531,552.00	\$43,236.18	\$488,315.82	8%	Ongoing operational costs
130 Lawn Areas	\$27,307.00	\$ 1,200.21	\$ 27,307.00	\$2,962.15	\$23,144.64	11%	Ongoing operational costs
131 East Street - Street Scaping	\$17,000.00		\$ 17,000.00	\$228.48	\$16,771.52	1%	Ongoing operational costs
132 Street Trees	\$228,727.00	\$ 5,673.05	\$ 228,727.00	\$17,937.23	\$205,116.72	8%	Ongoing operational costs
133 Lake Talbot Expenses	\$24,000.00		\$ 24,000.00	\$0.00	\$24,000.00	0%	Ongoing operational costs
134 Sports Stadium Expenses	\$100,671.00		\$ 100,671.00	\$8,948.71	\$91,722.29	9%	Ongoing operational costs
135 Bores Expenses	\$57,395.00	\$ 4,250.00	\$ 57,395.00	\$2,914.72	\$50,230.28	5%	Ongoing operational costs
136 Pump Station Expenses	\$86,900.00	\$ 166.69	\$ 86,900.00	\$8,952.41	\$77,780.90	10%	Ongoing operational costs
137 Mains Expenses	\$316,239.00	\$ 2,455.35	\$ 316,239.00	\$19,551.18	\$294,232.47	6%	Ongoing operational costs
138 Recycled Water	\$49,200.00	\$ 70.00	\$ 49,200.00	-\$0.02	\$49,130.02	0%	Ongoing operational costs
139 Reservoirs Expenses	\$62,990.00	\$ 909.09	\$ 62,990.00	\$1,896.54	\$60,184.37	3%	Ongoing operational costs
140 Water Supply Licence	\$31,263.00		\$ 31,263.00	\$944.82	\$30,318.18	3%	Ongoing operational costs
141 Chlorine & Chemicals Expenses	\$30,750.00		\$ 30,750.00	\$455.40	\$30,294.60	1%	Ongoing operational costs
142 Meter Reading Expenses	\$10,250.00		\$ 10,250.00	\$280.13	\$9,969.87	3%	Ongoing operational costs to be rectified with the introduction of the taggle software.
143 Telemetry System Maintenance	\$11,788.00		\$ 11,788.00	\$0.00	\$11,788.00	0%	Ongoing operational costs
144 Pump Stations Electricity Expenses	\$256,520.00		\$ 256,520.00	\$0.00	\$256,520.00	0%	Ongoing operational costs
145 Pump Station Expenses	\$69,162.00	\$ 12,659.09	\$ 69,162.00	\$6,694.22	\$49,808.69	10%	Ongoing operational costs
146 Mains Expenses	\$258,906.00	\$ 5,415.47	\$ 258,906.00	\$18,162.45	\$235,328.08	7%	Ongoing operational costs
147 Treatment Works Expenses	\$209,688.00	\$ 29,965.86	\$ 209,688.00	\$15,825.22	\$163,896.92	8%	Ongoing operational costs
148 Sewer Heating & Electricity	\$139,600.00		\$ 139,600.00	\$0.00	\$139,600.00	0%	Ongoing operational costs
149 Telemetry System Maintenance	\$7,000.00		\$ 7,000.00	\$0.00	\$7,000.00	0%	Ongoing operational costs

Capital Expenditure as at 31 July 2021

	Sum of Proposed Budget	Sum of Revised Budget	Sum of YTD Expenditure	Sum of Balance
Administration				
Information Technology	\$ 225,000.00	\$ 225,000.00	\$ 4,082.00	\$ 207,398.00
Environment				
Stormwater	\$ 88,000.00	\$ 88,000.00	\$ 612.07	\$ 87,387.93
Barellan Waste	\$ 87,000.00	\$ 87,000.00	\$ -	\$ 87,000.00
Housing & Community Amenities				
Narrandera Cemetery	\$ 75,000.00	\$ 75,000.00	\$ -	\$ 75,000.00
Street Lighting	\$ 350,000.00	\$ 350,000.00	\$ -	\$ 350,000.00
Transport & Communication				
Ancillary Roadworks	\$ 295,000.00	\$ 295,000.00	\$ -	\$ 295,000.00
Regional Roads	\$ 441,400.00	\$ 441,400.00	\$ -	\$ 432,315.85
Rural Roads	\$ 1,112,423.00	\$ 1,112,423.00	\$ 39,114.84	\$ 1,073,308.16
Urban Roads	\$ 551,638.00	\$ 551,638.00	\$ 23.41	\$ 551,520.23
Roads to Recovery	\$ 997,362.00	\$ 997,362.00	\$ 5,673.76	\$ 991,688.24
Bridges	\$ 1,083,532.00	\$ 1,083,532.00	\$ -	\$ 1,083,532.00
Economic Affairs				
Airport	\$ -	\$ -	\$ -	\$ -
Buildings	\$ 346,000.00	\$ 346,000.00	\$ 969.44	\$ 320,663.01
Plant	\$ 1,493,072.00	\$ 1,493,072.00	\$ -	\$ 1,493,072.00
Recreation and Culture				
Lake Talbot Pool	\$ 196,000.00	\$ 196,000.00	\$ -	\$ 196,000.00
Lake talbot Recreation Area	\$ 2,030,000.00	\$ 2,030,000.00	\$ -	\$ 2,030,000.00
Library	\$ 33,896.00	\$ 33,896.00	\$ -	\$ 31,347.09
Marie Bashir Park	\$ 285,000.00	\$ 285,000.00	\$ -	\$ 285,000.00
Narrandera Sportsground	\$ 115,000.00	\$ 115,000.00	\$ -	\$ 115,000.00
Barellan Park	\$ 10,000.00	\$ 10,000.00	\$ -	\$ 10,000.00
Playground on the Murrumbidgee	\$ 1,167,606.00	\$ 1,167,606.00	\$ 2,448.58	\$ 1,142,839.24
Narrandera Parks	\$ 7,500.00	\$ 7,500.00	\$ -	\$ 7,500.00
Lake Talbot Tourist Park	\$ 60,741.00	\$ 60,741.00	\$ 526.83	-\$ 5,942.19
Water Supply Network				
Water	\$ 1,135,000.00	\$ 1,135,000.00	\$ 24,383.61	\$ 1,085,185.65
Sewerage Network				
Sewer	\$ 2,805,000.00	\$ 2,805,000.00	\$ 6,777.43	\$ 2,563,341.43
Grand Total	\$ 14,991,170.00	\$ 14,991,170.00	\$ 84,611.97	\$ 14,508,156.64

Key Operational as at 31 July 2021

Row Labels	Sum of Proposed Budget	Sum of Revised Budget	Sum of YTD Expenditure	Sum of Balance
Economic Affairs				
Economic Development	\$ 12,308.00	\$ 12,308.00	\$ -	\$ 12,308.00
Housing & Community Amenities				
Noxious Weeds	\$ 158,711.00	\$ 158,711.00	\$ 14,492.73	\$ 144,218.27
Public Toilets	\$ 75,333.00	\$ 75,333.00	\$ 15,299.75	\$ 60,033.25
Cemetery Expenses	\$ 129,123.00	\$ 129,123.00	\$ 12,799.75	\$ 116,323.25
Recreation & Culture				
Sports Ground Expenses	\$ 197,603.00	\$ 197,603.00	\$ 16,451.87	\$ 181,151.13
Parks Expenses	\$ 548,663.00	\$ 548,663.00	\$ 44,799.82	\$ 503,863.18
Lawn Areas	\$ 27,307.00	\$ 27,307.00	\$ 2,962.15	\$ 23,144.64
Lake Talbot Expenses	\$ 24,000.00	\$ 24,000.00	\$ -	\$ 24,000.00
Sports Stadium Expenses	\$ 100,671.00	\$ 100,671.00	\$ 8,948.71	\$ 91,722.29
Street Scaping	\$ 17,000.00	\$ 17,000.00	\$ 228.48	\$ 16,771.52
Street Trees	\$ 228,727.00	\$ 228,727.00	\$ 17,937.23	\$ 205,116.72
Transport & Communication				
Ordered Works	\$ 82,000.00	\$ 82,000.00	\$ -	\$ 82,000.00
Regional Roads	\$ 207,600.00	\$ 207,600.00	\$ 33,076.89	\$ 174,523.11
State Roads	\$ 170,500.00	\$ 170,500.00	\$ 19,903.02	\$ 140,877.05
Urban Roads	\$ 742,650.00	\$ 742,650.00	\$ 58,287.70	\$ 673,681.18
Sealed Rural Roads	\$ 188,700.00	\$ 188,700.00	\$ 8,900.76	\$ 176,936.60
Unsealed Rural Roads	\$ 817,800.00	\$ 817,800.00	\$ 55,466.97	\$ 756,251.51
Water Supplies				
Water	\$ 913,295.00	\$ 913,295.00	\$ 34,995.18	\$ 870,448.69
Sewer Supplies				
Sewer	\$ 537,756.00	\$ 537,756.00	\$ 40,681.89	\$ 449,033.69
Grand Total	\$ 5,179,747.00	\$ 5,179,747.00	\$ 385,232.90	\$ 4,702,404.08

20.8 DRAFT COUNCIL FINANCIAL STATEMENTS 2020-2021 - REFERRAL FOR AUDIT

Document ID:	572165
Author:	Finance Manager
Authoriser:	Deputy General Manager Corporate and Community
Theme:	Statutory and Compulsory Reporting – Financial / Audit
Attachments:	1. 2020-2021 General Purpose Financial Statements 2. 2020-2021 Special Purpose Financial Statements 3. 2020-2021 Special Schedule 4. Carry Over Reconciliation June 2021 5. Grant Reconciliation June 2021

RECOMMENDATION

That Council:

1. Pursuant to the provisions of Section 413 of the Local Government Act 1993, hereby declares that it has prepared the General Purpose Financial Statements for the 2020/2021 financial year ending 30 June 2021 and has formed an opinion, based on the advice of Council officers, that these reports:
 - (a) Have been prepared in accordance with:
 - (i) the Local Government Act 1993 (as amended) and the Regulations made thereunder;
 - (ii) the Australian Accounting Standards and professional pronouncements; and
 - (iii) the Local Government Code of Accounting Practice and Financial Reporting.
 - (b) Present fairly the operating result and financial position of the Narrandera Shire Council for the year ended 30 June 2021; and
 - (c) Accords with Council's accounting and other records and policies.
2. Declares that the Special Purpose Financial Statements have been drawn up in accordance with the Local Government Code of Accounting Practice and Financial Reporting.
3. Resolves that the General and Special Purpose Financial Statements be certified by the Mayor, Deputy Mayor, General Manager and Responsible Accounting Officer, in accordance with Section 413(2)(c) of the Local Government Act.
4. Pursuant to the provisions of Section 413 of the Local Government Act 1993, hereby declares that the Financial Statements (including General Purpose and Special Purpose Reports) for the year ending 30 June 2021 be referred for audit.
5. Resolves that Tuesday 21 September 2021 be fixed as the date for the public meeting to present the audited financial statements and auditor's reports for the year ended 30 June 2021, as required by Section 419 of the Local Government Act and that the Council's external auditors be present.
6. Resolves to revote expenditure of \$10,040,082 for the projects and purpose listed as carryovers in the attached schedule, of which \$510,148 is funded from revenue.

PURPOSE

The purpose of this report is to address the requirement for Council and management to make a statement as to the preparation and content of the General Purpose and Special Purpose Financial Statements prior to their referral for audit.

It is also to bring before Council those projects, which were not completed in 2020/2021, to revote those amounts into 2021/2022, in accordance with the Local Government Act, 1993 (LGA). Council will also resolve as to the funds to be restricted as internal reserves at 30 June 2021.

SUMMARY

This report is submitted to Council for its endorsement and referral of the Draft 2020/2021 Financial Statements to Council's external auditors Crowe, who perform the external audit as a contractor for the NSW Audit Office.

This report details the process for Council to adopt the 2020/2021 Financial Statements, including advertising them, placing them on public exhibition for public comment, issue of the final set of Financial Statements, and receipt of the Auditor's reports.

The auditors commenced audit testing in the period Monday 2 August to Friday 6 August.

It is proposed that Council, at its meeting on 21 September 2021, will review the final set of audited Financial Statements, and resolve to issue them in accordance with the Audit Office requirements. At this meeting, Council will receive a presentation on the 2020/2021 Financial Statements from auditors Crowe, contractors for the NSW Audit Office.

Council's overall result for 2020/2021 is a positive result with a net operating surplus of \$9,300,000.

Should the audit show a material difference from the attached draft, this will be incorporated into the final set of Financial Statements that will be presented on 21 September 2021. The Audit Office requires the external auditors to report all changes between the Draft Statements and the Final Statements.

BACKGROUND

As prescribed under Section 413 of the Local Government Act 1993, Council is required to consider and resolve to refer the 2020/2021 Draft Financial Statements for audit as soon as practicable after the end of the financial year.

The external auditors, Crowe performed the off-site audit from 2 August to 6 August. The finalised set of audited Financial Statements will be presented to Council on 21 September for issue. It is anticipated that the Audit Office will issue its reports for consideration by the Audit Risk and Improvement Committee on 3 September 2021.

The full set of audited Financial Statements, including the Auditor's reports, will be presented to Council on 21 September 2021.

Advertising and public exhibition of both the audited Financial Statements and Auditor's reports, inviting members of the public to make comment, will commence on Tuesday 7 September.

The Draft Primary Financial Statements are attached to this report and have been prepared in accordance with the format required by the Local Government Act 1993 (LGA), the Code of Accounting Practice and Financial Reporting (Code) issued by the

Office of Local Government and the Australian Equivalents to the International Financial Reporting Standards (AIFRS).

These Draft Financial Statements are required to be audited in accordance with Sections 415, 416 and 417 of the Local Government Act.

The Draft Primary Financial Statements consist of the following General Purpose Financial Statements:

- Income Statement
- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows.

It should be noted that there may be minor variances to the complete documents once checking is fully completed and the audit completed. Any variances will be reported to the Audit Office by the contract auditor.

The Draft Financial Statements also include Draft Special Purpose Financial Statements, which relate to the following business activities of Council:

- Water Supply
- Sewerage Services.

Internally Restricted Reserves

Each year, Council would be aware that not all projects are completed by 30 June for various reasons, mostly due to other funded works that have come forward and need to be prioritised.

A complete listing of all carryovers is attached to this report, along with a listing of all unexpended grants.

The votes for expenditure cease on 30 June each year. A recommendation has been made to cover revoting this additional expenditure.

Along with cash to fund carried over works, Council also internally restricts general fund cash to fund future capital works or specific projects. The following table sets out the proposed internally restricted cash at 30 June 2021.

CLASS OF RESERVE	Balance 30 Jun 2020	Net Transfer 20/21	Balance 30 Jun 2021
Internal Restrictions (C1-3 order)			
Plant & vehicle replacement	\$ 1,766,131.40	-\$ 202,363.72	\$ 1,563,767.68
Employee Leave Entitlements	\$ 1,229,888.00	\$ -	\$ 1,229,888.00
Carry over works	\$ 1,158,853.75	-\$ 648,705.51	\$ 510,148.24
Other Internal	\$ 64,278.00	\$ 107,600.00	\$ 171,878.00
Cemetery Perpetual	\$ 347,587.82	\$ 24,555.46	\$ 372,143.28
Council Committees	\$ 53,849.19	\$ 2,105.51	\$ 55,954.70
Information Technology Replacement	\$ 532,045.40	-\$ 155,196.36	\$ 376,849.04
Property Development	\$ 175,169.00	\$ 25,000.00	\$ 200,169.00
Infrastructure Replacement & Renewal	\$ 5,945,793.13	-\$ 307,389.43	\$ 5,638,403.70
Quarry Rehabilitation	\$ 33,635.00	-\$ 29,632.55	\$ 4,002.45

Financial Assistance Grant	\$ 2,557,207.00	\$ 72,129.00	\$ 2,629,336.00
Bonds, Retentions & Trusts	\$ 224,208.22	\$ 17,417.84	\$ 241,626.06
Total Internal Restrictions	\$ 14,088,645.91	-\$ 1,094,479.76	\$ 12,994,166.15

Annual Financial Statement Process

The process that Council must follow in the production, audit, issuance, advertising and presentation of the Financial Statements is prescribed in Sections 413-420 of the LGA, and Audit Office requirements. The following timetable will allow these processes to be satisfied and for the Financial Statements to be adopted by Council:

4 August	Draft 2020/2021 Financial Statements presented to Audit, Risk & Improvement Committee for referral for audit.
2-6 August	Off-site audit conducted by the external auditors.
17 August	Draft 2020/2021 Financial Statements presented to Council for referral for audit.
3 September	Audit Office reports anticipated to be received by Council and Financial Statements submitted to the Office of Local Government
7 September	Public advertising notifying that the Financial Statements are available for inspection until 21 September. The advertisement also advises that the Financial Statements will be formally presented to Council on 21 September and submissions will be received up until 28 September.
21 September	Ordinary Council meeting for the presentation of Council's audited Financial Statements and Auditor's reports to Council.
28 September	Closing date for public submissions on the Financial Statements. All submissions received will be referred to Council's external auditors for consideration (Section 420(3)). Council may take such action as it considers appropriate with respect to any submissions received.

A full report on Council's financial position will be provided to Council at its meeting on 16 November 2021.

Financial Performance

While the Draft Financial Statements are still subject to audit, the following is a summary of Council's financial result which demonstrates Council's sound financial position.

	\$'000	\$'000
Financial Results	2021	2020
Operating result	9,300	4,343
Operating result before capital	1,293	2,274
Total cash & Investments	26,696	29,164
Internal reserves	12,994	14,089
Assets under management	320,056	299,062

(a) Subject to audit confirmation

1.

The indicators above reflect a sound financial position as at 30 June 2021. The overall operating surplus of \$9.30 million is lower than the budgeted \$14.120 million. The following is a summary of the items contributing to this result:

1. Rates and Charges were \$114,000 higher than originally anticipated.
2. User Fees and Charges were \$93,000 lower than budgeted.
3. Interest and Investment Revenue was below budget by \$77,000.
4. Other Revenues were above budget by \$598,000. This was largely due to the temporary sale of water and accounting transactions for volunteer income.
5. Grants and Contributions provided for operating purposes was \$577,000 more than originally anticipated. This was mainly due to the funding provision for Flood Studies, Regional NSW Planning Portal, Stronger Country Communities 3A, Roads to Recovery and the Federal Assistance Grant.
6. Grants and Contributions for capital purposes was \$5.409 million less than anticipated due to budgeted programs with funds not received or partially received. Programs include the Barellan Sewer, Lake Talbot Deepening works, Airport capital works, Integrated Water Cycle Management and Playground on the Murrumbidgee.

Total income is \$4,361 million less than the budgeted \$33,284,000.

1. Employee Expenses were less than anticipated by \$241,000.
2. Materials and Contracts were higher than originally budgeted by \$810,000.
3. Depreciation Expense was \$130,000 less than originally budget, mainly due to the roads' revaluation.
4. Other Expenses were \$16,000 higher than the original budget.

Total increase in expenses of \$459,000 more than the budgeted \$19.164 million.

RELEVANCE TO COMMUNITY STRATEGIC PLAN AND OTHER STRATEGIES / MASTERPLANS / STUDIES

Theme

Our Civic Leadership

Strategy

5.1 - To have a Council that demonstrates effective management consistently, also a Council that communicates and engages well with the community and works collaboratively

Action

5.1.1 - Accountable, transparent and ensure open communication between the community and Council

ISSUES AND IMPLICATIONS

Policy

- N/A

Financial

- Primary statements reflect Council's financial operations during 2020-2021 and Council's financial position at 30 June, 2021.

Legal / Statutory

- Compliance with the financial reporting requirements of the Local Government Act

Community Engagement / Communication

- Financial Statement will be placed on exhibition seeking public comment.

Human Resources / Industrial Relations

- N/A

RISKS

Preparation of the Statements in a manner that does not comply with Australian Accounting Standards and the Local Government Code of Accounting Practice & Financial Reporting may result in the Audit Office qualifying Council's Statements for non-compliance.

CONCLUSION

Council is required to refer its Draft Financial Statements to audit and to form an opinion on them. This report allows Council to consider such a resolution.

RECOMMENDATION

That Council:

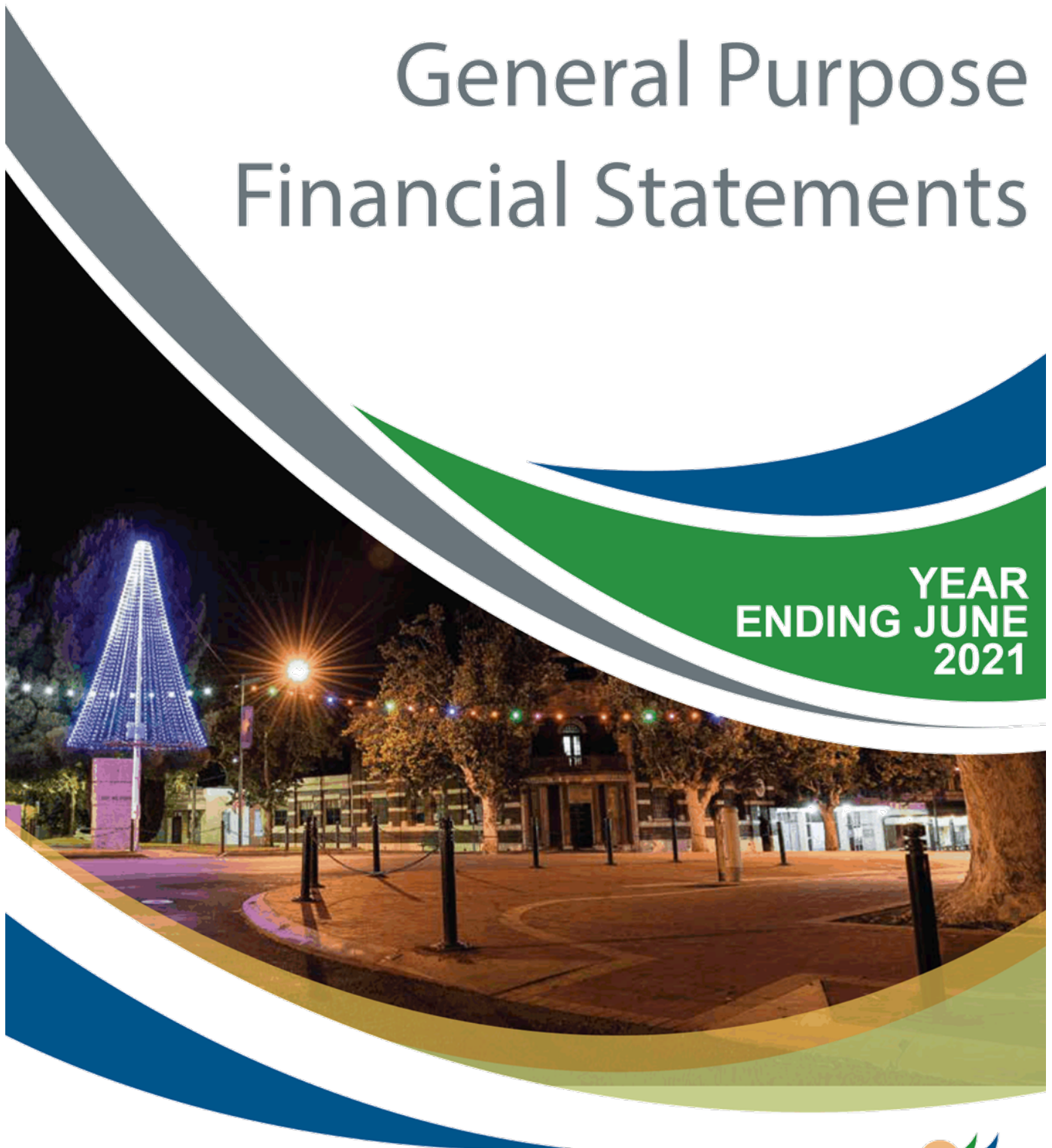
1. Pursuant to the provisions of Section 413 of the Local Government Act 1993, hereby declares that it has prepared the General Purpose Financial Statements for the 2020/2021 financial year ending 30 June 2021 and has formed an opinion, based on the advice of Council officers, that these reports:
 - (a) Have been prepared in accordance with:
 - (i) the Local Government Act 1993 (as amended) and the Regulations made thereunder;
 - (ii) the Australian Accounting Standards and professional pronouncements; and
 - (iii) the Local Government Code of Accounting Practice and Financial Reporting.
 - (b) Present fairly the operating result and financial position of the Narrandera Shire Council for the year ended 30 June 2021; and
 - (c) Accords with Council's accounting and other records and policies.
2. Declares that the Special Purpose Financial Statements have been drawn up in accordance with the Local Government Code of Accounting Practice and Financial Reporting.
3. Resolves that the General and Special Purpose Financial Statements be certified by

the Mayor, Deputy Mayor, General Manager and Responsible Accounting Officer, in accordance with Section 413(2)(c) of the Local Government Act.

4. Pursuant to the provisions of Section 413 of the Local Government Act 1993, hereby declares that the Financial Statements (including General Purpose and Special Purpose Reports) for the year ending 30 June 2021 be referred for audit.
5. Resolves that Tuesday 21 September 2021 be fixed as the date for the public meeting to present the audited financial statements and auditor's reports for the year ended 30 June 2021, as required by Section 419 of the Local Government Act and that the Council's external auditors be present.
6. Resolves to revoke expenditure of \$10,040,082 for the projects and purpose listed as carryovers in the attached schedule, of which \$510,148 is funded from revenue.

Narrandera Shire Council General Purpose Financial Statements

YEAR
ENDING JUNE
2021



Narrandera Shire Council

General Purpose Financial Statements

for the year ended 30 June 2021

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Overview

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

141 East St
Narrandera NSW 2700

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

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

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

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

Narrandera Shire Council

General Purpose Financial Statements

for the year ended 30 June 2021

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

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

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

Narrandera 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 17 August 2021.

Mr Neville Kschenka
Mayor
17 August 2021

Mr David Fahey
Councillor
17 August 2021

Mr George Cowan
General Manager
17 August 2021

Mr Martin Hiscox
Responsible Accounting Officer
17 August 2021

Mr Shane Wilson
Deputy General Manager Infrastructure
17 August 2021

Narrandera Shire Council | Statement of Comprehensive Income | For the year ended 30 June 2021

Narrandera Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2021

\$ '000	Notes	2021	2020
Net operating result for the year – from Income Statement		9,300	4,343
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	(317)	(27,271)
Total items which will not be reclassified subsequently to the operating result		(317)	(27,271)
Total other comprehensive income for the year		(317)	(27,271)
Total comprehensive income for the year attributable to Council		8,983	(22,928)

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

Narrandera Shire Council

Statement of Financial Position

as at 30 June 2021

\$ '000	Notes	2021	2020
ASSETS			
Current assets			
Cash and cash equivalents	C1-1a	1,850	2,554
Investments	C1-2a	24,846	26,610
Receivables	C1-4	2,642	1,875
Inventories	C1-5a	476	603
Contract assets and contract cost assets	C1-6	251	398
Other	C1-8	24	-
Total current assets		30,089	32,040
Non-current assets			
Receivables	C1-4	25	26
Inventories	C1-5a	407	407
Infrastructure, property, plant and equipment	C1-7	216,308	204,201
Total non-current assets		216,740	204,634
Total assets		246,829	236,674
LIABILITIES			
Current liabilities			
Payables	C3-1	2,234	1,712
Contract liabilities	C3-2	1,597	1,506
Borrowings	C3-3	52	-
Employee benefit provisions	C3-4	2,612	2,563
Total current liabilities		6,495	5,781
Non-current liabilities			
Payables	C3-1	3	3
Borrowings	C3-3	473	-
Employee benefit provisions	C3-4	57	72
Total non-current liabilities		533	75
Total liabilities		7,028	5,856
Net assets		239,801	230,818
EQUITY			
Accumulated surplus	C4-1	156,674	147,374
IPPE revaluation reserve	C4-1	83,127	83,444
Council equity interest		239,801	230,818
Total equity		239,801	230,818

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

Narrandera 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		147,374	83,444	230,818	143,287	110,715	254,002
Changes due to AASB 1058 and AASB 15 adoption		-	-	-	(256)	-	(256)
Restated opening balance		147,374	83,444	230,818	143,031	110,715	253,746
Net operating result for the year		9,300	-	9,300	4,343	-	4,343
Restated net operating result for the period		9,300	-	9,300	4,343	-	4,343
Other comprehensive income							
Gain (loss) on revaluation of infrastructure, property, plant and equipment	C1-7	-	(317)	(317)	-	(27,271)	(27,271)
Other comprehensive income		-	(317)	(317)	-	(27,271)	(27,271)
Total comprehensive income		9,300	(317)	8,983	4,343	(27,271)	(22,928)
Closing balance at 30 June		156,674	83,127	239,801	147,374	83,444	230,818

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

Narrandera Shire Council

Statement of Cash Flows

for the year ended 30 June 2021

Original unaudited budget 2021	\$ '000	Notes	Actual 2021	Actual 2020
Cash flows from operating activities				
<i>Receipts:</i>				
8,026	Rates and annual charges		8,085	7,791
3,347	User charges and fees		3,049	3,308
357	Investment and interest revenue received		352	683
20,561	Grants and contributions		16,459	13,117
-	Bonds, deposits and retention amounts received		100	93
918	Other		2,578	3,974
<i>Payments:</i>				
(8,113)	Employee benefits and on-costs		(8,042)	(7,702)
(3,887)	Materials and services		(6,225)	(5,389)
-	Borrowing costs		(4)	-
-	Bonds, deposits and retention amounts refunded		(85)	(11)
(1,910)	Other		(1,898)	(3,743)
19,299	Net cash flows from operating activities	G1-1	14,369	12,121
Cash flows from investing activities				
<i>Receipts:</i>				
2,796	Sale of investment securities		27,600	30,133
350	Sale of infrastructure, property, plant and equipment		303	757
-	Deferred debtors receipts		1	1
<i>Payments:</i>				
-	Purchase of investment securities		(25,836)	(33,350)
(24,333)	Purchase of infrastructure, property, plant and equipment		(17,666)	(9,428)
(21,187)	Net cash flows from investing activities		(15,598)	(11,887)
Cash flows from financing activities				
<i>Receipts:</i>				
2,170	Proceeds from borrowings		550	-
<i>Payments:</i>				
(24)	Repayment of borrowings		(25)	-
2,146	Net cash flows from financing activities		525	-
258	Net change in cash and cash equivalents		(704)	234
2,300	Cash and cash equivalents at beginning of year	C1-1b	2,554	2,320
2,558	Cash and cash equivalents at end of year	C1-1	1,850	2,554
17,569	plus: Investments on hand at end of year	C1-2	24,846	26,610
20,127	Total cash, cash equivalents and investments		26,696	29,164

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

Narrandera Shire Council

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Narrandera Shire Council

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A About Council and these financial statements

A1-1 Basis of preparation

These financial statements were authorised for issue by Council on dd MMMM yyyy. 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 consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

Council is a not for-profit entity.

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

Historical cost convention

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

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 C1-7
- ii. employee benefit provisions – refer Note C3-4.

Covid-19 Impacts

During the 2021 financial year, Covid-19 ('COVID') has continued to cause a disruption to Council's business practices with a number of staff working remotely from home or at other Council facilities away from the main administration building when required. Whilst this has caused some inconvenience it has not resulted in significant additional cost. Some costs have been incurred for additional equipment and staff salaries for employees required to isolate.

Council has provided some rent relief to the lessee of Lake Talbot Tourist Park and CVGT Australia to compensate for lost income due to the lockdown restrictions and some additional costs have been incurred in cleaning of council facilities.

Rate collections are slightly less than previous years, as detailed in Note C1-4. Other receivables have not been impacted.

Overall the financial impact has not been significant and is not anticipated to increase in future years.

Council is of the view that physical non-current assets will not experience substantial declines in value due to COVID. Fair value for the majority of Council's non-current assets is determined by replacement cost where there is no anticipated material change in value due to COVID.

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

A1-1 Basis of preparation (continued)

Significant judgements in applying the Council's accounting policies

- i. Impairment of receivables – refer Note C1-4.
- ii. Determination of whether performance obligations are sufficiently specific and whether the contract is within the scope of AASB 15 *Revenue from Contracts with Customers* and / or AASB 1058 *Income of Not-for-Profit Entities* – refer to Notes B2-2 – B2-4.

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
- Barellan Hall and Museum
- Grong Grong Hall
- Narrandera Railway Management Committee
- Narrandera Koala Regeneration Centre Supervisory Committee
- Arts Centre and Narrandera Museum

The Trust Fund

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

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

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

Goods and Services Tax (GST)

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

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

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

Volunteer services

Council makes use of volunteers for the community transport program, museums at Narrandera and Barellan and also library services. The estimated value of these services has been included in the financial statements based on an average salary and on costs council would be required to pay if the services were not donated.

New accounting standards and interpretations issued not yet effective

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

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.

A1-1 Basis of preparation (continued)

New accounting standards adopted during the year

During the year Council adopted all accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from the first time at 30 June 2021.

None of these standards had an impact on the reported position or performance.

B Financial Performance

B1 Functions or activities

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

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

\$ '000	Income		Expenses		Operating result		Grants and contributions		Carrying amount of assets	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Functions or activities										
Our Community	7,669	3,266	5,139	5,440	2,530	(2,174)	6,226	1,663	29,399	22,170
Our Environment	1,246	1,154	1,591	1,579	(345)	(425)	200	174	2,075	3,044
Our Economy	1,710	1,120	2,197	2,049	(487)	(929)	430	–	5,517	7,683
Our Infrastructure	7,462	7,791	8,005	8,898	(543)	(1,107)	3,960	3,893	192,228	184,564
Our Civic Leadership	10,836	11,707	2,691	2,729	8,145	8,978	5,243	4,973	17,610	19,213
Total functions and activities	28,923	25,038	19,623	20,695	9,300	4,343	16,059	10,703	246,829	236,674

B1-2 Components of functions or activities

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

Our Community

Security cameras, emergency services, health, aged & disabled services, social support, home modification and maintenance, community transport, community options, youth and childcare services, street lighting, public cemeteries, library, swimming pools, sportsgrounds, parks & reserves, Lake Talbot, sports stadium, cultural services, roads safety officer, arts centre.

Our Environment

Ordinance and ranger services, insect & vermin control, noxious weeds, waste management, public toilets, environmental protection, development control.

Our Economy

State Roads contract, economic development/real estate, industrial subdivision, industrial promotion, marketing & tourism, visitors centre, saleyards, caravan parks, private works, council land & buildings, aerodrome.

Our Infrastructure

Infrastructure services, stormwater, urban & rural roads, regional roads, bridges, Roads to Recovery, roads ancilliary, car parking, water & sewer services.

Our Civic Leadership

Governance, council chambers, administration, finance, human resources & work health and safety, information technology, property/revenue, employment overheads, plant operations, external plant revenue and general purposes income.

B2 Sources of income

B2-1 Rates and annual charges

\$ '000	2021	2020
Ordinary rates		
Residential	1,643	1,591
Farmland	3,010	2,936
Business	438	417
Less: pensioner rebates (mandatory)	(135)	(133)
Rates levied to ratepayers	4,956	4,811
Pensioner rate subsidies received	72	73
Total ordinary rates	5,028	4,884
Annual charges		
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>		
Domestic waste management services	772	750
Stormwater management services	72	72
Water supply services	793	776
Sewerage services	1,406	1,275
Waste management services (non-domestic)	119	116
Less: pensioner rebates (mandatory)	(76)	(76)
Annual charges levied	3,086	2,913
Pensioner subsidies received:		
– Water	21	22
– Sewerage	19	20
Total annual charges	3,126	2,955
Total rates and annual charges	8,154	7,839
Timing of revenue recognition for rates and annual charges		
Rates and annual charges recognised at a point in time	8,154	7,839
Total rates and annual charges	8,154	7,839

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

Accounting policy

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

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

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

B2-2 User charges and fees

\$ '000	Timing	2021	2020
Specific user charges			
(per s.502 - specific 'actual use' charges)			
Water supply services	2	1,229	1,448
Sewerage services	2	121	109
Total specific user charges		1,350	1,557
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Inspection services	2	1	1
Planning and building regulation	2	129	45
Private works – section 67	2	132	134
Section 10.7 certificates (EP&A Act)	2	19	20
Section 603 certificates	2	19	12
Companion animals fees	2	1	1
Total fees and charges – statutory/regulatory		301	213
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Aerodrome	2	19	78
Aged care	2	642	657
Cemeteries	2	133	161
Community centres	2	–	1
Leaseback fees – Council vehicles	2	25	18
Multipurpose centre	2	10	5
Transport for NSW (formerly RMS) charges (state roads not controlled by Council)	2	218	136
Transport for NSW (formerly RMS) charges (ordered works)	2	398	223
Swimming centres	2	2	–
Sundry sales	2	2	–
Waste disposal tipping fees	2	18	14
Connection fees	2	13	16
Sportsground Fees	2	8	9
Halls	2	–	22
Library	2	4	4
Stadium Fees	2	60	43
Truck Wash	2	28	1
Other	2	17	35
Total fees and charges – other		1,597	1,423
Total user charges and fees		3,248	3,193
Timing of revenue recognition for user charges and fees			
User charges and fees recognised at a point in time (2)		3,248	3,193
Total user charges and fees		3,248	3,193

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.

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	2	3	13
Legal fees recovery – rates and charges (extra charges)	2	–	(1)
Commissions and agency fees	2	47	42
Recycling income (non-domestic)	2	20	12
Diesel rebate	2	72	66
Sales – general	2	59	87
Incentive insurance rebate	2	60	48
Insurance reimbursement	2	9	29
Rural fire service reimbursement	2	158	115
Sale of scrap materials	2	20	15
Temporary Sale of Water Allocation	2	105	1,360
Volunteer Services	2	405	460
Other	2	6	8
Total other revenue		964	2,254

Timing of revenue recognition for other revenue

Other revenue recognised at a point in time (2)	964	2,254
Total other revenue	964	2,254

Accounting policy for other revenue

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

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

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

B2-4 Grants and contributions

\$ '000	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
General purpose grants and non-developer contributions (untied)					
General purpose (untied)					
Current year allocation					
Financial assistance	2	2,455	2,413	-	-
Payment in advance - future year allocation					
Financial assistance	2	2,630	2,557	-	-
Amount recognised as income during current year					
		5,085	4,970	-	-
Special purpose grants and non-developer contributions (tied)					
Cash contributions					
Sewerage services	1	-	-	49	54
Bushfire and emergency services	2	101	37	-	-
Employment and training programs	2	159	4	-	-
Heritage and cultural	2	20	34	-	-
Library	1	-	-	-	84
Library – per capita	2	59	58	-	-
Library – special projects	2	19	19	-	-
Noxious weeds	2	44	44	-	-
Recreation and culture	1	30	-	771	77
Community services	2	18	2	-	-
Floodplain mapping and land use	2	86	97	-	-
Street lighting	2	33	33	-	-
Crown Lands	2	-	-	2	-
Stronger Country Communities - Council Projects	1	-	-	256	601
Stronger Country Communities - Community Grants	1	41	582	-	-
Drought Communities - Council Projects	1	-	-	805	20
Drought Communities - Community Projects	1	126	43	-	-
Local Roads & Community Infrastructure	1	-	-	831	-
Truck Wash	2	-	-	-	414
Playground on The Murrumbidgee	1	-	-	2,859	21
Regional Airports	1	-	-	430	-
Planning portal	2	50	-	-	-
Community Building Partnership	1	-	-	3	-
Transport (roads to recovery)	2	1,496	1,496	-	-
Transport (other roads and bridges funding)	2	54	599	1,468	646
Other specific grants	2	3	4	-	-
Recreation and culture	1	-	-	200	3
Transport for NSW contributions (regional roads, block grant)	2	564	564	104	95
Other contributions	2	4	-	-	10
Leeton Shire Council aerodrome contributions	2	60	48	215	4
Total special purpose grants and non-developer contributions – cash		2,967	3,664	7,993	2,029
Total special purpose grants and non-developer contributions (tied)		2,967	3,664	7,993	2,029
Total grants and non-developer contributions		8,052	8,634	7,993	2,029

continued on next page ...

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B2-4 Grants and contributions (continued)

\$ '000	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Comprising:					
– Commonwealth funding		6,887	6,512	2,408	115
– State funding		1,056	2,028	5,170	1,897
– Other funding		109	94	415	17
		8,052	8,634	7,993	2,029

Developer contributions

\$ '000	Notes	Timing	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Developer contributions:		G5				
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
Cash contributions						
S 7.12 – fixed development consent levies		2	–	–	10	22
S 64 – water supply contributions		2	–	–	4	9
S 64 – sewerage service contributions		2	–	–	–	9
Total developer contributions – cash			–	–	14	40
Total developer contributions			–	–	14	40
Total contributions			–	–	14	40
Total grants and contributions			8,052	8,634	8,007	2,069
Timing of revenue recognition for grants and contributions						
Grants and contributions recognised over time (1)			197	625	6,204	860
Grants and contributions recognised at a point in time (2)			7,855	8,009	1,803	1,209
Total grants and contributions			8,052	8,634	8,007	2,069

B2-4 Grants and contributions (continued)

Unspent grants and contributions

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

\$ '000	Operating 2021	Operating 2020	Capital 2021	Capital 2020
Unspent grants and contributions				
Unspent funds at 1 July	1,164	872	1,977	788
Add: Funds recognised as revenue in the reporting year but not yet spent in accordance with the conditions	715	806	19	47
Add: Funds received and not recognised as revenue in the current year	16	115	1,477	1,391
Less: Funds recognised as revenue in previous years that have been spent during the reporting year	(714)	(629)	(7)	(249)
Less: Funds received in prior year but revenue recognised and funds spent in current year	(115)	-	(1,288)	-
Unspent funds at 30 June	1,066	1,164	2,178	1,977

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 evidence of the event taking place or satisfactory achievement of milestones. 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.

Developer contributions

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

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

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

B2-4 Grants and contributions (continued)

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
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	30	58
– Cash and investments	246	448
– Deferred debtors	1	–
Dividend income (other)	1	14
Total interest and investment income (losses)	278	520
Interest and investment income is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	17	32
General Council cash and investments	155	220
Restricted investments/funds – external:		
Development contributions		
– Section 7.11	1	2
– Section 64	2	5
Water fund operations	78	162
Sewerage fund operations	16	28
Domestic waste management operations	9	71
Total interest and investment income	278	520

Accounting policy

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

Dividends are recognised as income in profit or loss when the shareholder's right to receive payment is established unless the dividend clearly represents a recovery of part of the cost of the investment.

B2-6 Other income

\$ '000	Notes	2021	2020
Rental income			
Other lease income			
Tower Rental		33	42
Caravan Park		78	56
Housing		47	32
Shops & Offices		24	59
Aerodrome Hangers		14	13
Other		13	5
Total rental income	C2-2	209	207
Total other income		209	207

B3 Costs of providing services

B3-1 Employee benefits and on-costs

\$ '000	2021	2020
Salaries and wages	6,964	6,543
Employee leave entitlements (ELE)	1,358	1,374
Superannuation	810	792
Workers' compensation insurance	393	465
Fringe benefit tax (FBT)	36	14
Sick leave insurance	15	10
Other	8	9
Total employee costs	9,584	9,207
Less: capitalised costs	(1,518)	(1,424)
Total employee costs expensed	8,066	7,783
Number of 'full-time equivalent' employees (FTE) at year end	105	107

Accounting policy

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

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

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

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

B3-2 Materials and services

\$ '000	Notes	2021	2020
Raw materials and consumables		3,236	3,726
Contractor and consultancy costs		942	1,604
Audit Fees	F2-1	85	65
Previously other expenses:			
Councillor and Mayoral fees and associated expenses	F1-2	135	157
Advertising		10	9
Bank charges		45	73
Electricity and heating		450	492
Fire control expenses		64	70
Insurance		408	384
Postage		22	18
Printing and stationery		38	35
Street lighting		127	134
Subscriptions and publications		79	74
Telephone and communications		69	70
Valuation fees		29	26
Other expenses		13	10
Volunteer Services expense		405	460
Legal expenses:			
– Legal expenses: planning and development		1	14
– Legal expenses: other		3	7
Expenses from leases of low value assets		13	13
Variable lease expense relating to usage		1	3
Total materials and services		6,175	7,444
Total materials and services		6,175	7,444

Accounting policy

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

B3-3 Borrowing costs

(i) Interest bearing liability costs

Interest on loans	4	–
Total borrowing costs expensed	4	–

Accounting policy

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

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

\$ '000	Notes	2021	2020
Depreciation and amortisation			
Plant and equipment		622	573
Office equipment		144	138
Furniture and fittings		8	8
Land improvements		4	3
Infrastructure:	C1-7		
– Buildings – non-specialised		501	507
– Buildings – specialised		309	312
– Other structures		423	338
– Roads		1,735	1,991
– Bridges		152	165
– Footpaths		17	21
– Stormwater drainage		79	99
– Water supply network		493	488
– Sewerage network		302	299
– Swimming pools		57	94
– Other open space/recreational assets		93	93
Other assets:			
– Library books		17	14
– Other		2	1
Total gross depreciation and amortisation costs		4,958	5,144
Total depreciation, amortisation and impairment for non-financial assets		4,958	5,144

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.

Impairment of non-financial assets

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

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

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

B3-5 Other expenses

\$ '000	Notes	2021	2020
Impairment of receivables			
Other		6	6
Total impairment of receivables	C1-4	6	6
Other			
Contributions/levies to other levels of government			
– Emergency services levy (includes FRNSW, SES, and RFS levies)		342	251
– Western Riverina Library		33	32
Donations, contributions and assistance to other organisations (Section 356)		39	35
Total other		414	318
Total other expenses		420	324

Accounting policy

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

B4 Gains or losses

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

\$ '000	Notes	2021	2020
Gain (or loss) on disposal of property (excl. investment property)			
Proceeds from disposal – property		25	528
Less: carrying amount of property assets sold/written off		(37)	(252)
Gain (or loss) on disposal		(12)	276
Gain (or loss) on disposal of plant and equipment			
	C1-7		
Proceeds from disposal – plant and equipment		278	229
Less: carrying amount of plant and equipment assets sold/written off		(86)	(133)
Gain (or loss) on disposal		192	96
Gain (or loss) on disposal of infrastructure			
	C1-7		
Proceeds from disposal – infrastructure		–	–
Less: carrying amount of infrastructure assets sold/written off		(161)	(836)
Gain (or loss) on disposal		(161)	(836)
Gain (or loss) on disposal of real estate assets held for sale			
	C1-5		
Less: carrying amount of real estate assets sold/written off		(8)	–
Gain (or loss) on disposal		(8)	–
Gain (or loss) on disposal of investments			
	C1-2		
Proceeds from disposal/redemptions/maturities – investments		27,600	30,133
Less: carrying amount of investments sold/redeemed/matured		(27,600)	(29,347)
Gain (or loss) on disposal		–	786
Net gain (or loss) on disposal of assets		11	322

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 02/06/2020 and is not required to be audited. The original projections on which the budget was based have been affected by a number of factors. These include state and federal government decisions, including new grant programs, changing economic activity, environmental factors, and by decisions made by Council.

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

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

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

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----	
REVENUES				
Rates and annual charges	8,040	8,154	114	1% F
User charges and fees	3,341	3,248	(93)	(3)% U
Other revenues	366	964	598	163% F
Council sold part of the water allocation on a temporary basis for \$105,000. Additional reimbursement of \$61,000 from Rural Fire Service for shed improvements. Volunteer services revenue of \$405,000 was also accounted for as required under new accounting standards.				
Operating grants and contributions	7,475	8,052	577	8% F
Capital grants and contributions	13,416	8,007	(5,409)	(40)% U
A number of grant funded capital works projects were delayed in construction therefore grant income was less than budget, including Barellan sewer \$4.1m, Playground on the Murrumbidgee \$3.4m however additional capital grants were received for Fixing Local Roads \$844,000, Drought Communities \$805,000 and contributions of \$200,000 towards the construction of the AFL clubrooms.				
Interest and investment revenue	355	278	(77)	(22)% U
Interest on investments was again down on budget due to the continuing decline in interest rates.				
Net gains from disposal of assets	91	11	(80)	(88)% U
Gains on disposal of assets was lower than budget due to the write off of several assets that are being replaced under grant funded programs.				
Other income	200	209	9	5% F

B5-1 Material budget variations (continued)

\$ '000	2021 Budget	2021 Actual	2021 ----- Variance -----		
EXPENSES					
Employee benefits and on-costs	8,307	8,066	241	3%	F
Materials and services	5,365	6,175	(810)	(15)%	U
Additional ordered works on behalf of Transport for NSW \$224,000 Volunteer services expenses \$405,000 offset by volunteer services income.					
Borrowing costs	-	4	(4)	∞	U
Depreciation and amortisation	5,088	4,958	130	3%	F
Other expenses	404	420	(16)	(4)%	U
STATEMENT OF CASH FLOWS					
Cash flows from operating activities	19,299	14,369	(4,930)	(26)%	U
Cash flows from operating activities was less than budget due to the reduction in capital grants.					
Cash flows from investing activities	(21,187)	(15,598)	5,589	(26)%	F
Several capital projects were not commenced which resulted in capital expenditure being under budget.					
Cash flows from financing activities	2,146	525	(1,621)	(76)%	U
Council did not take up loans of \$1,620,000 due to the delay in commencement of capital projects.					

C Financial position

C1 Assets we manage

C1-1 Cash and cash equivalents

\$ '000	2021	2020
Cash and cash equivalents		
Cash on hand and at bank	881	585
Cash-equivalent assets		
– Deposits at call	969	1,969
Total cash and cash equivalents	1,850	2,554

Reconciliation of cash and cash equivalents

Total cash and cash equivalents per Statement of Financial Position	1,850	2,554
Balance as per the Statement of Cash Flows	1,850	2,554

Accounting policy

For Statement of Cash Flow presentation purposes, cash and cash equivalents includes 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.

C1-2 Investments

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Financial assets at fair value through the profit and loss				
Unlisted equity securities	10	–	10	–
Total	10	–	10	–
Debt securities at amortised cost				
Long term deposits	24,836	–	26,600	–
Total	24,836	–	26,600	–
Total financial investments	24,846	–	26,610	–
Total cash assets, cash equivalents and investments	26,696	–	29,164	–

Accounting policy

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

Council classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- financial assets at amortised cost;

C1-2 Investments (continued)

The classification depends on the purpose for which the investments were acquired.

Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss are investments in Narrandera District Investments Ltd. (Bendigo Bank).

C1-3 Restricted cash, cash equivalents and investments

\$ '000	2021		2020	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	26,696	–	29,164	–
attributable to:				
External restrictions	13,448	–	14,960	–
Internal restrictions	12,994	–	14,089	–
Unrestricted	254	–	115	–
	26,696	–	29,164	–

\$ '000	2021	2020
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Details of restrictions

External restrictions – included in liabilities

Specific purpose unexpended grants – general fund	1,494	1,303
Unexpended contributions - general fund	103	203

External restrictions – included in liabilities

	1,597	1,506
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External restrictions

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

Developer contributions – general	183	172
Developer contributions – water fund	325	320
Developer contributions – sewer fund	78	77
Transport for NSW contributions	101	117
Specific purpose unexpended grants (recognised as revenue) – general fund	960	949
Water fund	6,752	7,327
Water supplies – carry over works	590	275
Sewer fund	563	399
Sewerage services – carry over works	194	419
Stormwater management	566	541
Crown lands	263	274
Domestic waste management	1,276	2,584
External restrictions	11,851	13,454

Total external restrictions

	13,448	14,960
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Internal restrictions

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

Plant and vehicle replacement	1,564	1,766
Organisational service assets & projects	5,639	5,947
Employees leave entitlement	1,230	1,230
Carry over works revenue funded	510	1,159
Deposits, retentions and bonds	242	224
Financial assistance grant received in advance	2,629	2,557
Information technology renewal & replacement	376	531
Property development	200	175
Quarry rehabilitation	4	34
Cemetery perpetual maintenance	372	348
Council committees	56	54
Other	172	64
Total internal restrictions	12,994	14,089

Total restrictions

	26,442	29,049
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Internal restrictions over cash, cash equivalents and investments are those assets restricted only by a resolution of the elected Council.

C1-4 Receivables

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Purpose				
Rates and annual charges	759	25	642	25
Interest and extra charges	66	-	66	-
User charges and fees	601	-	309	-
Accrued revenues				
– Interest on investments	69	-	143	-
– Other income accruals	207	-	187	-
Deferred debtors	1	-	1	1
Government grants and subsidies	319	-	467	-
Net GST receivable	213	-	76	-
RMS receivables	442	-	-	-
Other debtors	-	-	19	-
Total	2,677	25	1,910	26
Less: provision of impairment				
Rates and annual charges	(26)	-	(26)	-
Interest and extra charges	(2)	-	(2)	-
User charges and fees	(7)	-	(7)	-
Total provision for impairment – receivables	(35)	-	(35)	-
Total net receivables	2,642	25	1,875	26

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.

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

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.

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

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

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

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

Covid 19

Council's rate collections are slightly less than previous years due to the governments direction in relation to debt recovery and the necessity to engage a new debt collection agency due to the previous agency no longer providing service to council. Other

C1-4 Receivables (continued)

receivables have not been significantly impacted by the Covid 19 pandemic and are comparable to prior years. No adjustment has been made to the impairment provision as rates are a debt on the property and can be recovered if sold.

C1-5 Inventories

\$ '000	2021		2020	
	Current	Non-current	Current	Non-current
(i) Inventories at cost				
Real estate for resale	14	407	22	407
Stores and materials	442	–	562	–
Trading stock	20	–	19	–
Total inventories at cost	476	407	603	407
Total inventories	476	407	603	407

(i) Other disclosures

\$ '000	2021		2020	
	Current	Non-current	Current	Non-current
(a) Details for real estate development				
Industrial/commercial	14	407	22	407
Total real estate for resale	14	407	22	407

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.

Land held for resale

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

C1-6 Contract assets and Contract cost assets

\$ '000	Notes	2021	2020
Contract assets	C1-6	251	398
Total contract assets and contract cost assets		251	398

Contract assets

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Construction of Transport assets	38	-	323	-
Construction of Sewer	40	-	54	-
Construction of Recreation Assets	173	-	21	-
Total contract assets	251	-	398	-

Significant changes in contract assets

Council had a large road project from 19/20 that has been paid. 20/21 amounts relate to other grant projects.

Accounting policy

Contract assets

Contract assets represent Councils right to payment in exchange for goods or services the Council has transferred to a customer when that right is conditional on something other than the passage of time.

Contract assets arise when the amounts billed to customers are based on the achievement of various milestones established in the contract and therefore the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer. Once an invoice or payment claim is raised or the relevant milestone is reached, Council recognises a receivable.

Impairment of contract assets is assessed using the simplified expected credit loss model where lifetime credit losses are recognised on initial recognition.

C1-7 Infrastructure, property, plant and equipment

	At 1 July 2020			Asset movements during the reporting period								At 30 June 2021		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	5,762	-	5,762	4,713	2,586	(19)	-	(4,835)	-	-	-	8,207	-	8,207
Plant and equipment	8,352	(4,928)	3,424	-	1,291	(86)	(622)	-	-	-	-	9,069	(5,062)	4,007
Office equipment	1,537	(1,039)	498	-	149	-	(144)	86	-	-	-	1,773	(1,184)	589
Furniture and fittings	155	(129)	26	-	-	-	(8)	-	-	-	-	155	(137)	18
Land:														
- Operational land	3,594	-	3,594	-	5	(37)	-	-	(1,382)	-	-	2,180	-	2,180
- Community land	6,634	-	6,634	-	-	-	-	-	1,382	(2,404)	-	5,612	-	5,612
Land improvements – non-depreciable	99	-	99	-	17	-	-	128	-	-	7	251	-	251
Land improvements	145	(3)	142	-	78	-	(4)	-	-	-	1	224	(7)	217
Infrastructure:														
- Buildings – non-specialised	22,833	(14,851)	7,982	72	285	-	(501)	41	-	-	2,446	29,048	(18,723)	10,325
- Buildings – specialised	12,754	(5,759)	6,995	20	921	(92)	(309)	8	-	(1,063)	-	14,358	(7,878)	6,480
- Other structures	12,799	(6,716)	6,083	8	2,536	-	(423)	1,045	143	(177)	-	18,000	(8,785)	9,215
- Roads	78,567	(29,462)	49,105	2,275	676	-	(1,735)	1,949	-	-	-	81,922	(29,652)	52,270
- Bridges	15,203	(5,373)	9,830	-	-	-	(152)	-	-	-	-	15,203	(5,525)	9,678
- Footpaths	1,240	(476)	764	-	126	(2)	(17)	-	-	-	-	1,363	(492)	871
- Bulk earthworks (non-depreciable)	58,421	-	58,421	-	-	-	-	22	-	-	-	58,443	-	58,443
- Stormwater drainage	10,612	(3,711)	6,901	-	-	-	(79)	-	-	-	-	10,612	(3,790)	6,822
- Water supply network	31,524	(13,315)	18,209	348	29	(46)	(493)	411	-	-	168	31,742	(13,116)	18,626
- Sewerage network	25,801	(7,327)	18,474	52	-	(2)	(302)	34	-	-	170	26,032	(7,606)	18,426
- Swimming pools	1,338	(1,003)	335	1,430	-	-	(57)	1,111	-	-	246	4,143	(1,078)	3,065
- Other open space/recreational assets	1,367	(727)	640	-	-	-	(93)	-	-	-	289	1,494	(658)	836
Other assets:														
- Library books	176	(38)	138	-	49	-	(17)	-	-	-	-	225	(55)	170
- Other	149	(4)	145	-	-	-	(2)	-	(143)	-	-	-	-	-
Total infrastructure, property, plant and equipment	299,062	(94,861)	204,201	8,918	8,748	(284)	(4,958)	-	-	(3,644)	3,327	320,056	(103,748)	216,308

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

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C1-7 Infrastructure, property, plant and equipment (continued)

	At 1 July 2019			Asset movements during the reporting period								At 30 June 2020		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Trfs from/(to) real estate assets (Note C1-5)	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	4,785	–	4,785	3,196	1,112	–	–	(3,331)	–	–	–	5,762	–	5,762
Plant and equipment	7,841	(4,734)	3,107	–	977	(133)	(573)	46	–	–	–	8,352	(4,928)	3,424
Office equipment	1,380	(901)	479	–	157	–	(138)	–	–	–	–	1,537	(1,039)	498
Furniture and fittings	131	(121)	10	–	24	–	(8)	–	–	–	–	155	(129)	26
Land:														
– Operational land	3,577	–	3,577	–	61	(75)	–	–	31	–	–	3,594	–	3,594
– Community land	6,634	–	6,634	–	–	–	–	–	–	–	–	6,634	–	6,634
Land improvements – non-depreciable	99	–	99	–	–	–	–	–	–	–	–	99	–	99
Land improvements – depreciable	–	–	–	–	40	–	(3)	105	–	–	–	145	(3)	142
Infrastructure:														
– Buildings – non-specialised	22,810	(14,709)	8,101	23	95	(177)	(507)	447	–	–	–	22,833	(14,851)	7,982
– Buildings – specialised	11,740	(5,535)	6,205	–	438	–	(312)	664	–	–	–	12,754	(5,759)	6,995
– Other structures	11,170	(6,599)	4,571	–	1,428	(61)	(338)	483	–	–	–	12,799	(6,716)	6,083
– Roads	98,767	(18,081)	80,686	1,320	19	–	(1,991)	733	–	(31,662)	–	78,567	(29,462)	49,105
– Bridges	15,958	(6,350)	9,608	–	–	–	(165)	–	–	–	387	15,203	(5,373)	9,830
– Footpaths	1,524	(226)	1,298	–	20	–	(21)	32	–	(565)	–	1,240	(476)	764
– Bulk earthworks (non-depreciable)	54,645	–	54,645	–	–	–	–	–	–	–	3,776	58,421	–	58,421
– Stormwater drainage	9,918	(3,370)	6,548	–	–	–	(99)	–	–	–	452	10,612	(3,711)	6,901
– Water supply network	31,413	(14,043)	17,370	390	41	(67)	(488)	798	–	–	165	31,524	(13,315)	18,209
– Sewerage network	25,558	(7,040)	18,518	56	–	–	(299)	23	–	–	176	25,801	(7,327)	18,474
– Swimming pools	3,466	(2,332)	1,134	–	3	(708)	(94)	–	–	–	–	1,338	(1,003)	335
– Other open space/recreational assets	1,367	(634)	733	–	–	–	(93)	–	–	–	–	1,367	(727)	640
Other assets:														
– Library books	148	(24)	124	–	28	–	(14)	–	–	–	–	176	(38)	138
– Other	149	(3)	146	–	–	–	(1)	–	–	–	–	149	(4)	145
Total infrastructure, property, plant and equipment	313,080	(84,702)	228,378	4,985	4,443	(1,221)	(5,144)	–	31	(32,227)	4,956	299,062	(94,861)	204,201

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

continued on next page ...

C1-7 Infrastructure, property, plant and equipment (continued)

Accounting policy

Initial recognition of infrastructure, property, plant and equipment (IPPE)

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

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

Subsequent costs are included in the asset's carrying amount or 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.

Useful lives of IPPE

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

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	10
Office furniture	5 to 20	Benches, seats etc.	15
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 15	Buildings: masonry	10 to 150
Other plant and equipment	5 to 15	Buildings: other	30 to 50
		Stormwater assets	
Water and sewer assets		Drains	135
Reservoirs	80 to 100	Culverts	135
Bores	20 to 80		
Reticulation pipes: PVC	80	Other infrastructure assets	
Reticulation pipes: other	25 to 75	Swimming pools	40
Pumps and telemetry	15 to 50	Other open space/recreational assets	10 to 50
		Other Structures	10 to 100
Transportation assets			
Sealed roads: surface	23		
Sealed roads: structure	40		
Sealed roads: pavements	100		
Bridge: concrete	100		
Bridge: other	50		
Unsealed road pavements	30 to 40		
Kerb, gutter and footpaths	75		

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

Revaluation model

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

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

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

Land under roads

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

continued on next page ...

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C1-7 Infrastructure, property, plant and equipment (continued)

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

Crown reserves

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

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

Rural Fire Service assets

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

Council recognises the RFS buildings on council controlled land however does not recognise the vehicles as it has no control of these assets.

C1-8 Other

Other assets

\$ '000	2021	2021	2020	2020
	Current	Non-current	Current	Non-current
Prepayments	24	-	-	-
Total other assets	24	-	-	-

C2 Leasing activities

C2-1 Council as a lessee

Council has leases for office equipment. Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases

Office and IT equipment

Leases for photocopiers are considered low value assets. The leases are for 5 years with no renewal option, the payments are fixed, however some of the leases include variable payments based on usage.

(a) Income Statement

\$ '000	2021	2020
The amounts recognised in the Income Statement relating to leases where Council is a lessee are shown below:		
Variable lease payments based on usage not included in the measurement of lease liabilities	1	3
Expenses relating to low-value leases	13	13
	14	16

(b) Statement of Cash Flows

Total cash outflow for leases	14	16
	14	16

(c) Leases at significantly below market value – concessionary / peppercorn leases

Council has a number of leases at significantly below market for land and buildings which are used for:

- Council Works Depot
- Cemetery
- Lake Talbot Water Park
- Old Railway Station

The leases have varying terms and require payments of less than \$1,000 per year. The use of the right-to-use asset is restricted by the lessors to specified community services which Council must provide, these services are detailed in the leases.

Council does not believe that any of the leases in place are individually material from a statement of financial position or performance perspective.

Accounting policy

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

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

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

The right-of-use asset is measured using the cost model where cost on initial recognition comprises: the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use 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.

C2-1 Council as a lessee (continued)

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

\$ '000	2021	2020
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(i) Assets held as property, plant and equipment

Council provides operating leases on Council properties for the purpose of staff housing, health services, training providers, emergency services, caravan park and community groups, the table below relates to operating leases on assets disclosed in C1-8.

Lease income (excluding variable lease payments not dependent on an index or rate)	209	414
Total income relating to operating leases for Council assets	209	414

Amount of IPPE leased out by Council under operating leases

Land	611	830
Buildings	3,515	2,526
Structures	4,311	2,034
Other recreation	4	4
Pools	3,065	328
Total amount of IPPE leased out by Council under operating leases	11,506	5,722

(ii) Maturity analysis of contractual lease income

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

< 1 year	216	187
1–2 years	220	182
2–3 years	224	176
3–4 years	229	182
4–5 years	228	77
> 5 years	232	25
Total undiscounted lease payments to be received	1,349	829

C2-2 Council as a lessor (continued)

Accounting policy

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

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

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

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

C3 Liabilities of Council

C3-1 Payables

\$ '000	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Payables				
Goods and services – operating expenditure	1,425	–	1,017	–
Accrued expenses:				
– Salaries and wages	255	–	224	–
Security bonds, deposits and retentions	239	3	224	3
Other	23	–	3	–
Prepaid rates	292	–	244	–
Total payables	2,234	3	1,712	3
Total payables	2,234	3	1,712	3

Accounting policy

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

Payables

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

C3-2 Contract Liabilities

\$ '000	Notes	2021 Current	2021 Non-current	2020 Current	2020 Non-current
Grants and contributions received in advance:					
Unexpended capital grants (to construct Council controlled assets)	(i)	1,478	-	1,188	-
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	16	-	115	-
Unexpended capital contributions (to construct Council controlled assets)	(i)	103	-	203	-
Total grants received in advance		1,597	-	1,506	-
Total contract liabilities		1,597	-	1,506	-

Notes

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

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

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

\$ '000	2021	2020
Grants and contributions received in advance:		
Capital grants (to construct Council controlled assets)	1,288	198
Operating grants (received prior to performance obligation being satisfied)	115	58
Total revenue recognised that was included in the contract liability balance at the beginning of the period	1,403	256

Significant changes in contract liabilities

Council spent all grants previously held as liabilities, one contribution was not spent. There is a significant transfer to the liability as at 30 June due to the number of commonwealth and state funded programs currently being undertaken.

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		2020	
	Current	Non-current	Current	Non-current
Loans – secured ¹	52	473	–	–
Total borrowings	52	473	–	–

(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.

(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	–	(25)	550	–	–	–	525
Total liabilities from financing activities	–	(25)	550	–	–	–	525

(b) Financing arrangements

\$ '000	2021	2020
Total facilities		
Bank overdraft facilities ¹	350	350
Credit cards/purchase cards	45	45
Total financing arrangements	395	395
Drawn facilities		
– Credit cards/purchase cards	9	7
Total drawn financing arrangements	9	7
Undrawn facilities		
– Bank overdraft facilities	350	350
– Credit cards/purchase cards	36	38
Total undrawn financing arrangements	386	388

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

C3-4 Employee benefit provisions

\$ '000	2021		2020	
	Current	Non-current	Current	Non-current
Annual leave	739	–	786	–
Long service leave	1,834	57	1,733	72
Rostered days off	39	–	44	–
Total employee benefit provisions	2,612	57	2,563	72

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

\$ '000	2021	2020
The following provisions, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	1,630	1,700
	1,630	1,700

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

Nature and purpose of provisions

Asset remediation

Council has various landfill sites (tips) and gravel quarries situated throughout the shire. These all have useful lives, which on being reached will result in Council having to reinstate these areas through restoration and remediation works.

These future liabilities have however, not been brought to account due to;

- a. the remaining useful lives of these assets being estimated at beyond 20 years and accordingly the effects of discounting the future cash outflows to present values deems the amounts immaterial,
- b. preliminary estimates of the individual amounts required to undertake the future restoration works do not materially affect either Council's financial results or financial position as at 30/6/21.

Accordingly, no provision amounts have been brought to account in these financial statements for such future reinstatement and restoration costs.

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.

C4 Reserves

C4-1 Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

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

D Council structure

D1 Results by fund

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

D1-1 Income Statement by fund

\$ '000	General 2021	Water 2021	Sewer 2021
Income from continuing operations			
Rates and annual charges	5,991	774	1,389
User charges and fees	1,828	1,257	163
Interest and investment revenue	181	87	16
Other revenues	964	-	-
Grants and contributions provided for operating purposes	8,052	-	-
Grants and contributions provided for capital purposes	7,954	4	49
Net gains from disposal of assets	59	-	-
Other income	209	-	-
Total income from continuing operations	25,238	2,122	1,617
Expenses from continuing operations			
Employee benefits and on-costs	7,389	379	298
Materials and services	4,350	1,142	683
Borrowing costs	10	-	-
Depreciation and amortisation	4,147	503	308
Other expenses	420	-	-
Net losses from the disposal of assets	-	46	2
Total expenses from continuing operations	16,316	2,070	1,291
Operating result from continuing operations	8,922	52	326
Net operating result for the year	8,922	52	326
Net operating result attributable to each council fund	8,922	52	326
Net operating result for the year before grants and contributions provided for capital purposes	968	48	277

D1-2 Statement of Financial Position by fund

\$ '000	General 2021	Water 2021	Sewer 2021
ASSETS			
Current assets			
Cash and cash equivalents	1,248	567	35
Investments	16,946	7,100	800
Receivables	2,122	394	166
Inventories	476	-	-
Contract assets and contract cost assets	211	-	40
Other	24	-	-
Total current assets	21,027	8,061	1,041
Non-current assets			
Receivables	24	198	-
Inventories	407	-	-
Infrastructure, property, plant and equipment	177,254	19,623	19,431
Total non-current assets	177,685	19,821	19,431
TOTAL ASSETS	198,712	27,882	20,472
LIABILITIES			
Current liabilities			
Payables	2,152	82	-
Contract liabilities	1,597	-	-
Borrowings	92	-	-
Employee benefit provision	2,612	-	-
Total current liabilities	6,453	82	-
Non-current liabilities			
Payables	3	-	-
Borrowings	670	-	-
Employee benefit provision	57	-	-
Total non-current liabilities	730	-	-
TOTAL LIABILITIES	7,183	82	-
Net assets	191,529	27,800	20,472
EQUITY			
Accumulated surplus	125,976	18,607	12,091
Revaluation reserves	65,553	9,193	8,381
Council equity interest	191,529	27,800	20,472
Total equity	191,529	27,800	20,472

D1-3 Details of internal loans

(in accordance with s410(3) of the *Local Government Act 1993*)

Details of individual internal loans	Council ID / Ref 278	Council ID / Ref 280	Council ID / Ref 285
Borrower (by purpose)	Coaches Box	Aerodrome Lighting	Festoon Lighting
Lender (by purpose)	Water Fund	Water Fund	Water Fund
Date of Minister's approval	28/06/2017	28/06/2017	26/10/2017
Date raised	30/06/2017	30/06/2017	30/06/2018
Term years	10	10	10
Dates of maturity	30/06/2027	30/06/2027	30/06/2028
Rate of interest (%)	.5%	.5%	.5%
Amount originally raised (\$'000)	150	100	60
Total repaid during year (principal and interest) (\$'000)	17	11	7
Principal outstanding at end of year (\$'000)	94	63	44

Details of individual internal loans	Council ID / Ref 284
Borrower (by purpose)	Barellan Change Room
Lender (by purpose)	Water Fund
Date of Minister's approval	26/10/2017
Date raised	30/06/2018
Term years	10
Dates of maturity	30/06/2028
Rate of interest (%)	.5%
Amount originally raised (\$'000)	50
Total repaid during year (principal and interest) (\$'000)	6
Principal outstanding at end of year (\$'000)	36

D2 Interests in other entities

Subsidiaries, joint arrangements and associates not recognised

The following subsidiaries, joint arrangements and associates have not been recognised in this financial report.

Name of entity/operation	Principal activity/type of entity	2021 ¹	2021 ¹
		Net profit	Net assets
Western Riverina Library Services	Provision of library services to member local government areas	22,087	564,340

Reasons for non-recognition

Council holds 7.63% equity share in Western Riverina Library Service, and has assessed this as not material, hence not recognised. The information provided above is for 2020 as this is the latest information available at the time of Council preparing the Financial Statements.

⁽¹⁾ This year represents 2020 year for the Western Riverina Library Services

E Risks and accounting uncertainties

E1-1 Risks relating to financial instruments held

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's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance team manages the cash and Investments portfolio with the assistance of independent advisors. Council has an investment policy which complies with the s 625 of the Act and the Ministerial Investment Order. The policy is regularly reviewed by Council and a monthly investment report is provided to Council setting out the make-up performance of the portfolio as required by local government regulations.

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 the finance team under policies approved by the Councillors.

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

The risks associated with the financial instruments held are:

- interest rate risk – the risk that movements in interest rates could affect returns
- 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 a contracting entity will not complete its obligations under a financial instrument, resulting in a financial loss to the Council.

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

(a) Market risk – interest rate and price risk

\$ '000	2021	2020
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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	267	291
Impact of a 10% movement in price of investments		

(b) Credit risk

Council's major receivables comprise rates, annual charges, user charges and fees.

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

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

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

The level of outstanding receivables is reported to Council monthly. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

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

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

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

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2021						
Gross carrying amount	–	426	226	87	45	784
2020						
Gross carrying amount	–	390	189	53	35	667

Receivables - non-rates and annual charges and contract assets

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

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

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2021						
Gross carrying amount	1,686	191	3	38	–	1,918
Expected loss rate (%)	0.00%	0.00%	0.00%	23.68%	0.00%	0.47%
ECL provision	–	–	–	9	–	9
2020						
Gross carrying amount	1,232	5	4	28	–	1,269
Expected loss rate (%)	0.00%	0.00%	0.00%	32.14%	0.00%	0.71%
ECL provision	–	–	–	9	–	9

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

(c) Liquidity risk

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

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

Borrowings are also subject to interest rate risk: the risk that movements in interest rates could adversely affect funding costs.

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 - 5 Years	> 5 Years		
2021							
Trade/other payables	0.00%	242	1,703	–	–	1,945	1,945
Loans and advances	1.49%	–	59	237	267	563	525
Total financial liabilities		242	1,762	237	267	2,508	2,470
2020							
Trade/other payables	0.00%	230	1,241	–	–	1,471	1,471
Loans and advances	0.00%	–	–	–	–	–	–
Total financial liabilities		230	1,241	–	–	1,471	1,471

E2-1 Fair value measurement

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

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

Fair value hierarchy

All assets measured at fair value are 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: Unobservable inputs for the asset or liability

The table below shows the assigned level for each asset and liability held at fair value by Council:

\$ '000	Notes	Fair value measurement hierarchy					
		Level 2 Significant observable inputs		Level 3 Significant unobservable inputs		Total	
		2021	2020	2021	2020	2021	2020
Recurring fair value measurements							
Financial assets							
Financial investments	C1-2						
At fair value through profit or loss – designated at fair value on initial recognition		–	–	10	10	10	10
Total financial assets		–	–	10	10	10	10
Infrastructure, property, plant and equipment							
Plant and equipment	C1-7	–	–	4,007	3,424	4,007	3,424
Office equipment		–	–	589	498	589	498
Furniture and fittings		–	–	18	26	18	26
Operational land		2,180	3,594	–	–	2,180	3,594
Community land		–	–	5,612	6,634	5,612	6,634
Land Improvements – non-depreciable		–	–	251	99	251	99
Land Improvements - depreciable		–	–	217	142	217	142
Buildings – non-specialised		–	–	10,325	7,982	10,325	7,982
Buildings – specialised		–	–	6,480	6,995	6,480	6,995
Other structures		–	–	9,215	6,083	9,215	6,083
Roads, bridges, footpaths, bulk earthworks		–	–	121,262	118,120	121,262	118,120
Stormwater drainage		–	–	6,822	6,901	6,822	6,901
Sewerage network		–	–	18,426	18,474	18,426	18,474
Water supply network		–	–	18,626	18,209	18,626	18,209
Library books		–	–	170	138	170	138
Swimming pools		–	–	3,065	335	3,065	335
Other open space/recreational assets		–	–	836	640	836	640
Other		–	–	–	145	–	145
Total infrastructure, property, plant and equipment		2,180	3,594	205,921	194,845	208,101	198,439

continued on next page ...

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E2-1 Fair value measurement (continued)

Valuation techniques

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

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

Infrastructure, property, plant and equipment (IPPE)

Plant & Equipment, Office Equipment, Furniture & Fittings, Land Improvements and Library Books

Plant & Equipment, Office Equipment, Furniture & Fittings, Land Improvements and Library Books are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Examples of assets within these classes are as follows:

- Plant & Equipment - Graders, trucks, rollers, tractors and motor vehicles.
- Office Equipment - Computer, photocopiers, tablets etc.
- Furniture & Fittings - Chairs, desks, cupboards etc.
- Land Improvements - Formation of land.
- Library Books - Books and audio visual.

Land improvement assets have been revalued internally as at 30 June 2021.

There has been no change to the valuation process during the reporting period.

Operational & Community Land

Community land values are based on either the Land Value provided by the Valuer-General or an estimated valuation based on land of a similar nature where the Valuer-General did not provide a land value. Community land has been valued using level 3 valuation inputs. All Community Land has been revalued as at 30 June 2021.

Council obtains its fair values for operational land from an external valuer every 5 years (last valuation being 2018 by Nicholas Lucas, Valuation Services) using level 2 inputs.

The valuation is the valuer's opinion of the Market Value of the property as at the date of inspection having regard to the supply and demand conditions for this category of property.

Market value is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

There has been no change to the valuation process during the reporting period.

Buildings – Non-Specialised & Specialised

Non-Specialised & Specialised Buildings are valued by an external valuer, AssetVal Pty Ltd and have been revalued as at 30 June 2021. The cost approach has been used whereby replacement cost was estimated for each asset. No Market based evidence (Level 2) could be supported as such these assets were all classified as having been valued using level 3 valuation inputs.

There has been no change to the valuation process during the reporting period.

Other Structures

Other Structures comprise of lighting, irrigation systems, fencing, shade structures etc.

The cost approach has been used whereby replacement cost was estimated for each asset. No Market based evidence (Level 2) could be supported as such these assets were all classified as having been valued using level 3 valuation inputs.

Other Structures have been revalued by an external valuer AssetVal Pty Ltd as at 30 June 2021 and there has been no change to the valuation process during the reporting period.

Roads

Roads include bulk earthworks, carriageway, roadside shoulders & kerb & gutter. The cost approach using level 3 inputs was used to value this asset class. A revaluation was undertaken as at 30 June 2020 in-house based on actual costs and

E2-1 Fair value measurement (continued)

assumptions from Council's Technical Services Department. No market based evidence (level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

There has been no change to the valuation process during the reporting period.

Bridges

Bridges were valued under the cost approach using level 3 inputs. A revaluation was undertaken as at 30 June 2020 in-house based on actual costs and assumptions from Council's Technical Services Department. No market based evidence (level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

There has been no change to the valuation process during the reporting period.

Footpaths

Footpaths were revalued in-house by Council's Technical Services Department as at 30 June 2020 and were based on actual cost per square meter of works carried out during the year.

There has been no change to the valuation process during the reporting period.

Stormwater Drainage

Assets within this class comprise of pits and pipes.

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear meters of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

A revaluation was undertaken as at 30 June 2020 in-house by council technical services staff and there has been no change to the valuation process during the reporting period.

Water Supply Network

Assets within this class comprise of bores, water treatment plant, reservoirs, pumping stations and water pipelines.

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear meters of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the Office of Water.

The assets in this class of assets were subject to a validation process and then a revaluation of each component, and there has been a subsequent upward movement in the Fair Value of these assets.

Sewerage Network

Assets within this class comprise of treatment works, pumping stations and sewerage mains.

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear meters of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the Office of Water.

The assets in this class of assets were subject to a validation process and then a revaluation of each component, and there has been a subsequent upward movement in the Fair Value of these assets.

Swimming Pools

Swimming pools were valued using the cost approach. No Market based evidence (Level 2) could be supported as such these assets were all classified as having been valued using level 3 valuation inputs.

Swimming Pools have been revalued by an external valuer, AssetVal Pty Ltd as at 30 June 2021 and there has been no change to the valuation process during the reporting period.

E2-1 Fair value measurement (continued)

Other Open Space/Recreational Assets

Assets within this class comprise of BBQ's and outdoor play equipment.

Other Open Space/Recreational Assets were valued using the cost approach. No Market based evidence (Level 2) could be supported as such these assets were all classified as having been valued using level 3 valuation inputs.

Open Space and Recreation Assets have been revalued by an external valuer, AssetVal Pty Ltd as at 30 June 2021 and there has been no change to the valuation process during the 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.

\$ '000	Fair value (30/6/21) 2021	Valuation technique/s	Unobservable inputs
Financial assets			
Unlisted equity securities	10	Level 3 Valued at cost	
Total financial assets	10		
Infrastructure, property, plant and equipment			
Plant and Equipment	4,007	Level 3 Valued at cost	<ul style="list-style-type: none"> • Gross replacement cost • Remaining useful life • Residual value
Office Equipment	589	Level 3 Valued at cost	<ul style="list-style-type: none"> • Gross replacement cost • Remaining useful life • Residual value
Furniture and Fittings	18	Level 3 Valued at cost	<ul style="list-style-type: none"> • Gross replacement cost • Remaining useful life • Residual value
Community Land	5,612	Level 3 Based on Valuer-General valuation	<ul style="list-style-type: none"> • Land value (price per square metre)
Land Improvements-Non-dep	251	Level 3 Valued at cost	<ul style="list-style-type: none"> • Gross replacement cost • Remaining useful life
Land Improvements - depreciable	217	Level 3 Valued at cost	<ul style="list-style-type: none"> • Gross replacement cost • Remaining useful life
Buildings & other Structures	26,020	Level 3 External valuation using cost approach	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Roads, bridges, footpaths, bulk earthworks	121,262	Level 3 Internal valuation using cost approach	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life
Stormwater Drainage	6,822	Level 3 Internal valuation using cost approach	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life
Water Supply Network	18,626	Level 3 Internal valuation using cost approach	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life
Sewerage Network	18,426	Level 3 Internal valuation using cost approach	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life
Swimming Pools	3,065	Level 3 External valuation using cost approach	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life
Open Space and Recreational	836	Level 3 External valuation using cost approach	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life
Library Books	170	Level 3 Valued at cost	<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value

Highest and best use

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

E3-1 Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

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

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

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

The additional lump sum contribution for each Pooled Employer is a share of the total additional contributions of \$40 million per annum from 1 July 2018 for 3 years to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 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 2020 was \$ 103,132.59. The last valuation of the Scheme was performed by Mr Richard Boyfield, FIAA as at 30 June 2020.

The amount of additional contributions included in the total employer contribution advised above is \$58,286. Council's expected contribution to the plan for the next annual reporting period is \$103,583.64.

E3-1 Contingencies (continued)

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

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

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

Based on a Past Service Liabilities methodology, Council's share of the surplus that can be attributed is 0.14%.

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.

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

E3-1 Contingencies (continued)

(ii) Tips and quarries

Council operates a number of landfill sites and gravel quarries and will have to rehabilitate the sites at some time in the future. As at 30 June 2021 Council is unable to reliably estimate the financial cost of such work.

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.

(iii) Rural Fire Service (RFS) – Plant and Equipment ("Red Fleet")

As disclosed in Note C1-7, assets of the RFS, vest in Council, under Section 119 of the Rural Fires Act 1997

As Council does not have control over these assets Council does not recognise these as assets in our financial statements.

Should this be resolved in the future, that Council has to recognise them as assets, it means that Council has a potential contingent asset, at this stage.

F People and relationships

F1 Related party disclosures

F1-1 Key management personnel (KMP)

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

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

\$ '000	2021	2020
Compensation:		
Short-term benefits	774	755
Post-employment benefits	10	14
Other long-term benefits	20	27
Total	804	796

Other transactions with KMP and their related parties

Nature of the transaction	Transactions during the year	Outstanding balances including commitments	Terms and conditions	Impairment provision on outstanding balances	Impairment expense
\$ '000					
2021					
Employee expenses relating to close family members of KMP	179	-	Council staff award	-	-
Related Parties, which are Suppliers of Council, supplying goods and services, such as printing services.	11	-	Contracts, purchase orders or tenders	-	-
2020					
Employee expenses relating to close family members of KMP	173	-	Council staff award	-	-
Related Parties, which are Suppliers of Council, supplying goods and services, such as printing services.	27	-	Contracts, purchase orders or tenders	-	-

F1-2 Councillor and Mayoral fees and associated expenses

\$ '000	2021	2020
The aggregate amount of Councillor and Mayoral fees and associated expenses included in materials and services expenses in the Income Statement are:		
Mayoral fee	27	27
Councillors' fees	88	99
Other Councillors' expenses (including Mayor)	20	31
Total	135	157

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		
Auditors of the Council - NSW Auditor-General:		
(i) Audit and other assurance services		
Audit and review of financial statements	42	41
Remuneration for audit and other assurance services	42	41
Total Auditor-General remuneration	42	41
Non NSW Auditor-General audit firms		
(i) Audit and other assurance services		
Internal Audit	43	24
Remuneration for audit and other assurance services	43	24
Total audit fees	85	65

G Other matters

G1-1 Statement of Cash Flows information

Reconciliation of net operating result to cash provided from operating activities

\$ '000	2021	2020
Net operating result from Income Statement	9,300	4,343
Adjust for non-cash items:		
Depreciation and amortisation	4,958	5,144
Net losses/(gains) on disposal of assets	(11)	(322)
Adoption of AASB 15/1058	-	(256)
+/- Movement in operating assets and liabilities and other cash items:		
Decrease/(increase) in receivables	(767)	1,829
Decrease/(increase) in inventories	119	88
Decrease/(increase) in other current assets	(24)	-
Decrease/(increase) in contract assets	147	(398)
Increase/(decrease) in payables	408	(45)
Increase/(decrease) in other accrued expenses payable	31	70
Increase/(decrease) in other liabilities	83	102
Increase/(decrease) in contract liabilities	91	1,506
Increase/(decrease) in provision for employee benefits	34	60
Net cash provided from/(used in) operating activities from the Statement of Cash Flows	14,369	12,121

G2-1 Commitments

Capital commitments (exclusive of GST)

\$ '000	2021	2020
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Sewerage and water infrastructure	171	–
Buildings	1,555	1,911
Lake Talbot Water Park	–	4,808
Total commitments	1,726	6,719
These expenditures are payable as follows:		
Within the next year	1,726	6,719
Total payable	1,726	6,719
Sources for funding of capital commitments:		
Future grants and contributions	704	3,245
Unexpended grants	620	623
Unexpended Contributions	–	100
Externally restricted reserves	171	–
Internally restricted reserves	231	751
New loans (to be raised)	–	2,000
Total sources of funding	1,726	6,719

Details of capital commitments

2021

Narrandera Sportsground new changerooms and clubrooms, balance of contract, \$761,000, Destination & Discovery Hub design, \$107,000, Lake Talbot Tourist Park amenities, \$619,000, Stadium upgrade, \$68,000, Sewer mains reline, \$171,000.

2020

Narrandera Sportsground new changerooms and clubrooms \$1,911,000.
Lake Talbot Water Park redevelopment \$4,808,000.

G3 Statement of developer contributions as at 30 June 2021

G3 Summary of developer contributions

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
S7.12 levies – under a plan	172	10	–	1	–	–	183	–
Total S7.11 and S7.12 revenue under plans	172	10	–	1	–	–	183	–
S64 contributions	397	4	–	2	–	–	403	–
Total contributions	569	14	–	3	–	–	586	–

Under the Environmental Planning and Assessment Act 1979, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas. It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

S7.12 Levies – under a plan

\$ '000	Opening balance at 1 July 2020	Contributions received during the year		Interest and investment income earned	Amounts expended	Internal borrowings	Held as restricted asset at 30 June 2021	Cumulative balance of internal borrowings (to)/from
		Cash	Non-cash					
CONTRIBUTION PLAN - Pine Hill								
Community facilities	172	10	–	1	–	–	183	–
Total	172	10	–	1	–	–	183	–

G4 Statement of performance measures

G4-1 Statement of performance measures – consolidated results

\$ '000	Amounts	Indicator	Prior periods		Benchmark
	2021	2021	2020	2019	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	1,288	6.16%	8.65%	5.65%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	20,905				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	12,853	44.46%	56.70%	51.81%	>60.00%
Total continuing operating revenue ¹	28,912				
3. Unrestricted current ratio					
Current assets less all external restrictions	16,027	5.03x	6.07x	6.63x	>1.50x
Current liabilities less specific purpose liabilities	3,185				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	6,250	215.52x	∞	∞	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	29				
5. Rates and annual charges outstanding percentage					
Rates and annual charges outstanding	822	9.25%	8.28%	7.70%	<10.00%
Rates and annual charges collectable	8,889				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	26,686	19.67	20.77	19.34	>3.00
Monthly payments from cash flow of operating and financing activities	1,357	mths	mths	mths	mths

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

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

G4-2 Statement of performance measures by fund

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2021	2020	2021	2020	2021	2020	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	5.33%	7.12%	4.34%	17.55%	17.77%	13.24%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions ¹	36.29%	48.74%	99.82%	99.64%	96.97%	95.82%	>60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	5.03x	6.07x	98.30x	135.98x	∞	∞	>1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	72.37x	138.41x	∞	∞	∞	∞	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates and annual charges outstanding percentage							
Rates and annual charges outstanding	8.78%	7.89%	10.00%	9.16%	10.83%	9.51%	<10.00%
Rates and annual charges collectable							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	15.84	16.90	60.49	65.20	10.21	11.34	>3.00
Monthly payments from cash flow of operating and financing activities	mths	mths	mths	mths	mths	mths	mths

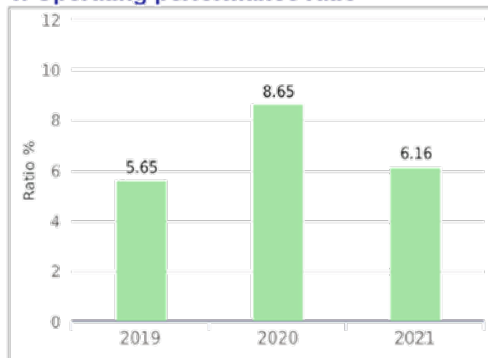
(1) - (2) Refer to Notes at Note G4-1 above.

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

H Additional Council disclosures (unaudited)

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

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2020/21 result

2020/21 ratio 6.16%

Council's operating performance ratio is again extremely strong and remains well above the benchmark for all funds. The reduction from 19/20 relates to the one off profit from the sale of Southern Phone shares and the proceeds from the temporary transfer of water allocation in that year.

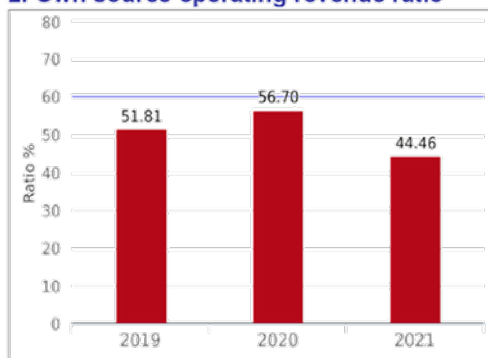
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

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

Commentary on 2020/21 result

2020/21 ratio 44.46%

Own source revenue has again been impacted by additional grant funds for Stronger Country Communities, Drought Communities, Local Roads and Community Infrastructure (provided by the commonwealth government as economic stimulus due to COVID 19 impacts) and roads programs.

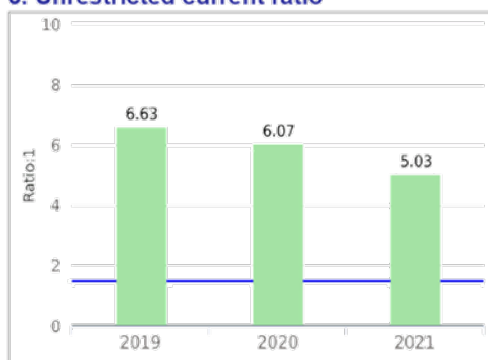
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

Commentary on 2020/21 result

2020/21 ratio 5.03x

Council's ratio remains well above the benchmark with more than adequate funds to satisfy its short term obligations.

Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

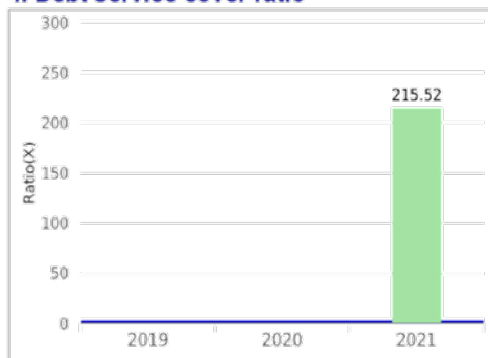
Ratio is outside benchmark

continued on next page ...

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

4. Debt service cover ratio



Purpose of debt service cover ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

Commentary on 2020/21 result

2020/21 ratio	215.52x
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Council has for the first time in many years taken out an external loan of \$550,000 for the refurbishment and upgrading of Lake Talbot Water Park. Internal loans exist from the Water fund to the General fund of \$237,000

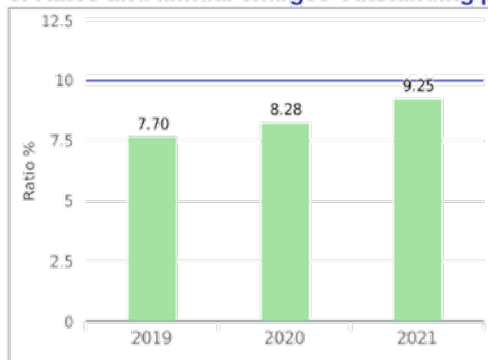
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates and annual charges outstanding percentage



Purpose of rates and annual charges outstanding percentage

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

Commentary on 2020/21 result

2020/21 ratio	9.25%
---------------	-------

Council's outstanding rates and charges ratio has increased slightly due to the state governments direction in relation to debt recovery due to COVID 19 however it is still within the benchmark for rural councils. Council also had to engage a new debt recovery company as the previous provider ceased services to council.

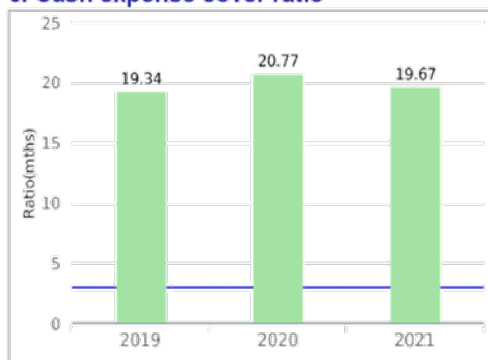
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

Commentary on 2020/21 result

2020/21 ratio	19.67 mths
---------------	------------

Council has more than adequate cash to meet on going expenses for over 22 months without requiring additional cash inflows.

Benchmark: — > 3.00mths

Source of benchmark: Code of Accounting Practice and Financial Reporting

Ratio achieves benchmark

Ratio is outside benchmark

H1-2 Council information and contact details

Principal place of business:

141 East St
Narrandera NSW 2700

Contact details**Mailing Address:**

141 East St
Narrandera NSW 2700

Telephone: 02 6959 5510

Facsimile: 02 6959 1884

Opening hours:

Office Hours
Monday to Friday
8:30am - 4:30pm

Internet: www.narrandera.nsw.gov.au

Email: council@narrandera.nsw.gov.au

Officers**General Manager**

Mr George Cowan

Responsible Accounting Officer

Mr Martin Hiscox

Public Officer

Mr Martin Hiscox

Auditors

NSW Audit Office
Level 19
Darling Park Tower 2
201 Sussex Street
Sydney NSW 2000

GPO Box 12
Sydney NSW 2001

Elected members**Mayor**

Cr Neville Kschenka

Councillors

Cr David Fahey
Cr Jenny Clarke
Cr Tracey Lewis
Cr Kevin Morris
Cr Barbara Bryon
Cr Narelle Payne

Other information

ABN: 96 547 765 569

Narrandera Shire Council | Notes to the Financial Statements 30 June 2021

Narrandera Shire Council

General Purpose Financial Statements
for the year ended 30 June 2021

Narrandera Shire Council | Notes to the Financial Statements 30 June 2021

Narrandera Shire Council

General Purpose Financial Statements
for the year ended 30 June 2021

Narrandera Shire Council Special Purpose Financial Statements

YEAR
ENDING JUNE
2021



Narrandera Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2021

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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).

Narrandera 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 17 August 2021.

Mr Neville Kschenka
Mayor
17 August 2021

Mr David Fahey
Councillor
17 August 2021

Mr George Cowan
General Manager
17 August 2021

Mr Martin Hiscox
Responsible Accounting Officer
17 August 2021

Mr Shane Wilson
Deputy General Manager Infrastructure
17 August 2021

Narrandera Shire Council | Income Statement of water supply business activity | For the year ended 30 June 2021

Narrandera Shire Council

Income Statement of water supply business activity
for the year ended 30 June 2021

\$ '000	2021	2020
Income from continuing operations		
Access charges	774	758
User charges	1,229	1,448
Fees	28	23
Interest	87	166
Total income from continuing operations	2,118	2,395
Expenses from continuing operations		
Employee benefits and on-costs	379	354
Materials and services	1,142	1,110
Depreciation, amortisation and impairment	503	499
Loss on sale of assets	46	67
Total expenses from continuing operations	2,070	2,030
Surplus (deficit) from continuing operations before capital amounts	48	365
Grants and contributions provided for capital purposes	4	9
Surplus (deficit) from continuing operations after capital amounts	52	374
Surplus (deficit) from all operations before tax	52	374
Less: corporate taxation equivalent [based on result before capital]	(12)	(100)
Surplus (deficit) after tax	40	274
Plus accumulated surplus	18,555	18,181
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	12	100
Closing accumulated surplus	18,607	18,555
Return on capital %	0.2%	1.9%
Subsidy from Council	244	–
Calculation of dividend payable:		
Surplus (deficit) after tax	40	274
Less: capital grants and contributions (excluding developer contributions)	(4)	(9)
Surplus for dividend calculation purposes	36	265
Potential dividend calculated from surplus	18	133

Narrandera Shire Council | Income Statement of sewerage business activity | For the year ended 30 June 2021

Narrandera Shire Council

Income Statement of sewerage business activity

for the year ended 30 June 2021

\$ '000	2021	2020
Income from continuing operations		
Access charges	1,389	1,257
User charges	163	157
Interest	16	29
Total income from continuing operations	1,568	1,443
Expenses from continuing operations		
Employee benefits and on-costs	298	261
Materials and services	683	686
Depreciation, amortisation and impairment	308	305
Loss on sale of assets	2	-
Total expenses from continuing operations	1,291	1,252
Surplus (deficit) from continuing operations before capital amounts	277	191
Grants and contributions provided for capital purposes	49	63
Surplus (deficit) from continuing operations after capital amounts	326	254
Surplus (deficit) from all operations before tax	326	254
Less: corporate taxation equivalent [based on result before capital]	(72)	(53)
Surplus (deficit) after tax	254	201
Plus accumulated surplus	11,765	11,511
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	72	53
Closing accumulated surplus	12,091	11,765
Return on capital %	1.4%	1.0%
Subsidy from Council	13	-
Calculation of dividend payable:		
Surplus (deficit) after tax	254	201
Less: capital grants and contributions (excluding developer contributions)	(49)	(63)
Surplus for dividend calculation purposes	205	138
Potential dividend calculated from surplus	102	69

Narrandera Shire Council | Statement of Financial Position of water supply business activity | For the year ended 30 June 2021

Narrandera Shire Council

Statement of Financial Position of water supply business activity

as at 30 June 2021

\$ '000	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	567	722
Investments	7,100	7,200
Receivables	394	373
Total current assets	8,061	8,295
Non-current assets		
Receivables	198	237
Infrastructure, property, plant and equipment	19,623	19,102
Total non-current assets	19,821	19,339
Total assets	27,882	27,634
LIABILITIES		
Current liabilities		
Payables	82	61
Total current liabilities	82	61
Total liabilities	82	61
Net assets	27,800	27,573
EQUITY		
Accumulated surplus	18,607	18,555
Revaluation reserves	9,193	9,018
Total equity	27,800	27,573

Narrandera Shire Council | Statement of Financial Position of sewerage business activity | For the year ended 30 June 2021

Narrandera Shire Council

Statement of Financial Position of sewerage business activity
as at 30 June 2021

\$ '000	2021	2020
ASSETS		
Current assets		
Cash and cash equivalents	35	95
Investments	800	800
Receivables	166	138
Contract assets and contract cost assets	40	54
Total current assets	1,041	1,087
Non-current assets		
Infrastructure, property, plant and equipment	19,431	18,896
Total non-current assets	19,431	18,896
Total assets	20,472	19,983
Net assets	20,472	19,983
EQUITY		
Accumulated surplus	12,091	11,765
Revaluation reserves	8,381	8,218
Total equity	20,472	19,983

Note – Significant Accounting Policies

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

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

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

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

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

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

National Competition Policy

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

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

Declared business activities

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

Category 1

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

a. Narrandera Council Water Supply

Council's water supply activities servicing the town of Narrandera, and which is established as a Special Rate Fund of Council.

Category 2

(where gross operating turnover is less than \$2 million)

a. Narrandera Sewerage Service

Council's sewerage reticulation & treatment activities servicing the town of Narrandera, and which is established as a Special Rate Fund of Council.

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 – 27.5%

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

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

In accordance with the Department of Industry (DoI) – Water guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the Best Practice Management of Water Supply and Sewer Guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

Achievement of substantial compliance to the DoI – Water guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 27.5%.

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

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

The rate applied of 27.5% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

A calculation of the equivalent rates and charges 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.

Note – Significant Accounting Policies (continued)

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

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

(iii) Dividends

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

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

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

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

In accordance with the Best Practice Management of Water Supply and Sewer 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.

Narrandera Shire Council | Special Purpose Financial Statements 2021

Narrandera Shire Council

Special Purpose Financial Statements
for the year ended 30 June 2021

Narrandera Shire Council Special Schedules

**YEAR
ENDING JUNE
2021**



Narrandera Shire Council

Special Schedules

for the year ended 30 June 2021

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Narrandera Shire Council

Permissible income for general rates

\$ '000	Notes	Calculation 2020/21	Calculation 2021/22
Notional general income calculation ¹			
Last year notional general income yield	a	4,950	5,104
Plus or minus adjustments ²	b	1	(1)
Notional general income	c = a + b	4,951	5,103
Permissible income calculation			
Special variation percentage ³	d	0.00%	0.00%
Or rate peg percentage	e	2.60%	2.00%
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
Less expiring special variation amount	g	-	-
Plus special variation amount	$h = d \times (c + g)$	-	-
Or plus rate peg amount	$i = e \times (c + g)$	129	102
Or plus Crown land adjustment and rate peg amount	$j = f \times (c + g)$	-	-
Sub-total	$k = (c + g + h + i + j)$	5,080	5,205
Plus (or minus) last year's carry forward total	l	22	(2)
Less valuation objections claimed in the previous year	m	-	-
Sub-total	$n = (l + m)$	22	(2)
Total permissible income	$o = k + n$	5,102	5,203
Less notional general income yield	p	5,104	5,193
Catch-up or (excess) result	$q = o - p$	(2)	10
Plus income lost due to valuation objections claimed ⁴	r	-	7
Less unused catch-up ⁵	s	-	-
Carry forward to next year ⁶	$t = q + r + s$	(2)	17

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) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable Crown land adjustment.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.

Narrandera Shire Council

Report on infrastructure assets as at 30 June 2021

Asset Class	Asset Category	Estimated cost		2020/21 Required maintenance *	2020/21 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Buildings	Buildings – non-specialised	945	–	479	66	10,323	29,045	0.0%	11.0%	45.0%	38.0%	6.0%
	Buildings – specialised	776	–	247	42	5,623	13,488	19.0%	3.0%	27.0%	41.0%	10.0%
	Sub-total	1,721	–	726	108	16,805	42,533	6.0%	8.5%	39.3%	39.0%	7.3%
Other structures	Other structures	3,750	–	474	87	9,215	18,875	15.0%	10.0%	17.0%	25.0%	33.0%
	Sub-total	3,750	–	474	87	9,215	18,875	15.0%	10.0%	17.0%	25.0%	33.0%
Water supply network	Water supply network	–	–	–	601	18,626	31,742	0.0%	0.0%	0.0%	0.0%	100.0%
	Sub-total	–	–	–	601	18,626	31,742	0.0%	0.0%	0.0%	0.0%	100.0%
Roads	Sealed roads pavement	5,816	–	146	295	19,829	31,426	2.0%	1.0%	93.0%	0.0%	4.0%
	Sealed roads surface	4,735	–	334	549	7,842	16,686	17.0%	7.0%	17.0%	52.0%	7.0%
	Unsealed roads pavement	3,233	–	251	774	18,073	24,546	66.0%	7.0%	6.0%	3.0%	18.0%
	Bridges	1,462	–	43	30	9,678	15,203	7.0%	45.0%	48.0%	0.0%	0.0%
	Footpaths	185	–	7	30	871	1,363	13.0%	26.0%	55.0%	6.0%	0.0%
	Bulk earthworks	–	–	–	–	58,443	58,443	100.0%	0.0%	0.0%	0.0%	0.0%
	Flood-ways	–	–	–	–	1,865	1,877	100.0%	0.0%	0.0%	0.0%	0.0%
	Guardrail	44	–	2	–	187	341	3.0%	38.0%	56.0%	0.0%	3.0%
	Kerb and guttering	729	–	33	15	3,627	6,068	3.0%	48.0%	41.0%	7.0%	1.0%
	Traffic devices	35	–	1	–	847	978	82.0%	0.0%	18.0%	0.0%	0.0%
Sub-total	16,239	–	817	1,693	121,262	156,931	52.4%	8.6%	28.3%	6.3%	4.4%	
Sewerage network	Sewerage network	–	–	–	542	18,426	26,032	0.0%	0.0%	0.0%	0.0%	100.0%
	Sub-total	–	–	–	542	18,426	26,032	0.0%	0.0%	0.0%	0.0%	100.0%
Stormwater drainage	Stormwater drainage	–	–	9	–	6,822	10,612	0.0%	0.0%	0.0%	0.0%	100.0%
	Sub-total	–	–	9	–	6,822	10,612	0.0%	0.0%	0.0%	0.0%	100.0%
Open space / recreational assets	Swimming pools	–	–	7	22	3,065	4,143	75.0%	0.0%	24.0%	1.0%	0.0%
	Open Space & Recreational	59	–	11	–	836	1,494	19.0%	47.0%	18.0%	9.0%	7.0%
	Sub-total	59	–	18	22	3,901	5,637	60.2%	12.5%	22.4%	3.1%	1.9%
Total – all assets		21,769	–	2,044	3,053	195,057	292,362	31.1%	6.7%	22.4%	10.7%	29.0%

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

continued on next page ...

Narrandera Shire Council

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

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

Narrandera Shire Council

Report on infrastructure assets as at 30 June 2021

Infrastructure asset performance indicators (consolidated) *

\$ '000	Amounts 2021	Indicator 2021	Prior periods		Benchmark
			2020	2019	
Buildings and infrastructure renewals ratio					
Asset renewals ¹	8,918	214.32%	113.12%	66.81%	>=100.00%
Depreciation, amortisation and impairment	4,161				
Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	21,769	10.71%	10.53%	1.27%	<2.00%
Net carrying amount of infrastructure assets	203,264				
Asset maintenance ratio					
Actual asset maintenance	3,053	149.36%	170.30%	208.37%	>100.00%
Required asset maintenance	2,044				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	—	0.00%	0.00%	0.00%	
Gross replacement cost	292,362				

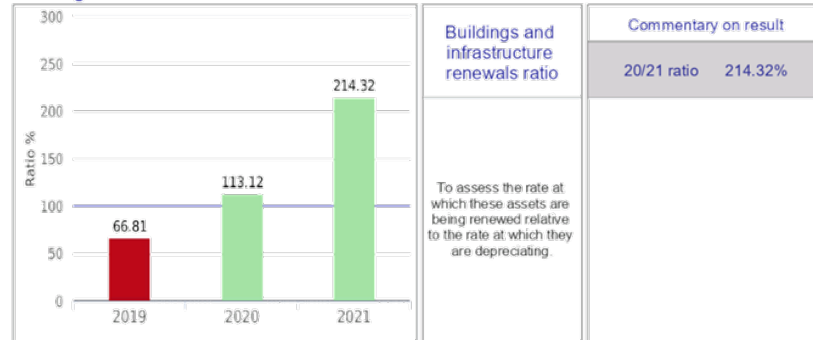
(*) All asset performance indicators are calculated using classes identified in the previous table.

(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.

Narrandera Shire Council

Report on infrastructure assets as at 30 June 2021

Buildings and infrastructure renewals ratio



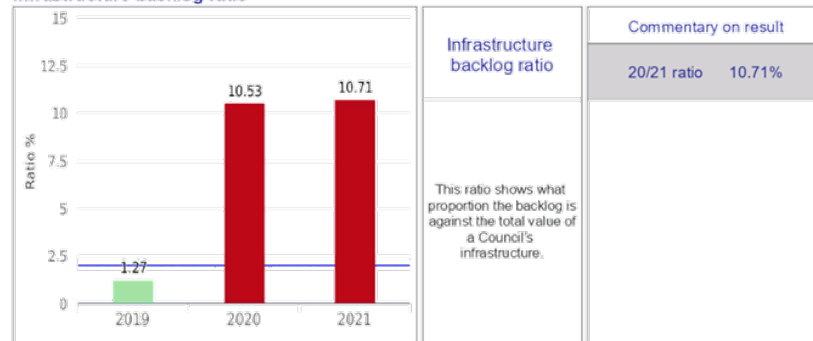
Benchmark: — $\geq 100.00\%$ ■ Ratio achieves benchmark
■ Ratio is outside benchmark
 Source of benchmark: Code of Accounting Practice and Financial Reporting

Asset maintenance ratio



Benchmark: — $> 100.00\%$ ■ Ratio achieves benchmark
■ Ratio is outside benchmark
 Source of benchmark: Code of Accounting Practice and Financial Reporting

Infrastructure backlog ratio



Benchmark: — $< 2.00\%$ ■ Ratio achieves benchmark
■ Ratio is outside benchmark
 Source of benchmark: Code of Accounting Practice and Financial Reporting

Cost to bring assets to agreed service level



Narrandera Shire Council

Report on infrastructure assets as at 30 June 2021

Infrastructure asset performance indicators (by fund)

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2021	2020	2021	2020	2021	2020	
Buildings and infrastructure renewals ratio							
Asset renewals	224.31%	117.93%	177.08%	130.94%	166.01%	25.75%	>=100.00%
Depreciation, amortisation and impairment							
Infrastructure backlog ratio							
Estimated cost to bring assets to a satisfactory standard	13.10%	11.72%	0.00%	1.04%	0.00%	10.06%	<2.00%
Net carrying amount of infrastructure assets							
Asset maintenance ratio							
Actual asset maintenance	93.44%	180.05%	∞	159.68%	∞	123.29%	>100.00%
Required asset maintenance							
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Gross replacement cost							

Job Cost	GL	General Fund	Type	20/21 Budget	20/21 Exp	21/22 Carry Over	Revenue	Unspent Grant /Contribution	Future Grant	Contrib	Ext Reserve	Int Reserve	Total
8600-0124-0001	1013-2106-0000	Mountain Bike Park Rocky Water	Op	5,000.00	-	5,000.00	5,000.00						5,000.00
4000-0145-0000	0111-2132-0000	Internal Audit Expenses	Op	58,231.00	42,550.80	15,680.20	15,680.20						15,680.20
4500-0025-0000	0213-2006-0000	Training Budget	Op	101,800.00	71,856.39	29,943.61	29,943.61						29,943.61
5030-0007-0000	0218-2100-0001	POM Crown Land	Op	70,027.00	47,523.67	22,503.33		22,503.33					22,503.33
6200-0113-0000	0616-2130-0000	NAIDOC week _ NIAA	Op	1,000.00	-	1,000.00		1,000.00					1,000.00
6300-0111-0000	0617-2120-0000	Youth Week Grant	Op	3,874.00	1,807.00	2,067.00		2,067.00					2,067.00
6300-0073-0003	0617-2200-0000	Youth Community - Yoga Day	Op	1,411.00	-	1,411.00		1,411.00					1,411.00
6300-0073-0004	0617-2200-0000	Youth Community - naturally chill SMS	Op	4,800.00	4,363.64	436.36		436.36					436.36
6600-0073-0000	0714-2200-0000	Regional NSW Planning Portal Grant	Op	50,000.00	2,859.12	47,140.88		47,140.88					47,140.88
7700-0124-0000	0810-2106-0000	Library Local Special (Grant) Revenue	Op	26,530.00	6,995.67	19,534.33		19,534.33					19,534.33
7700-0073-0003	0810-2138-0000	Collaboration Incentive Payment	Op	3,400.00	-	3,400.00		3,400.00					3,400.00
8307-0064-0000	0827-2002-0000	Parkside Museum Advisor Travel	Op	8,860.00	2,954.00	5,906.00		5,906.00					5,906.00
8307-0126-0000	0827-2106-0000	Museum Project Development	Op	6,686.00	5,150.00	1,536.00		1,536.00					1,536.00
8307-0124-0000	0827-2106-0000	CASP Cottage Museum - Now and Then - Re-Writing Hi	Op	3,000.00	300.00	2,700.00		2,700.00					2,700.00
0300-0115-0000	0816-2104-0000	SCCF3A - 0009- Creating Future Farmer	Op	19,950.00	-	19,950.00		15,961.60	3,988.40				19,950.00
0001-0005-0000	0910-2142-0000	Newell Hwy Contribution Grong Grong Reseal	Op	93,050.00	-	93,050.00		93,050.00					93,050.00
0001-0006-0000	0910-2142-0000	Newell Hwy Contribution Grong Grong town entrance	Op	8,000.00	-	8,000.00		8,000.00					8,000.00
0300-0106-0000	0816-2102-0000	Grong Grong Earth Park - RMS	Op	17,111.00	7,015.90	10,095.10		10,095.10					10,095.10
4400-1024-0000	0214-4100-0000	IT Review	Cap	5,000.00	2,547.00	2,453.00	2,453.00						2,453.00
4400-1027-0000	0214-4200-0000	SQL Server Software Licenses	Cap	30,000.00	12,470.00	17,530.00						17,530.00	17,530.00
4400-1030-0000	0214-4100-0000	Azure Premium P1 Implementation	Cap	15,000.00	2,780.00	12,220.00						12,220.00	12,220.00
4400-1031-0000	0214-4100-0000	GDA and SSA Implementation	Cap	20,000.00	3,946.36	16,053.64						16,053.64	16,053.64
5100-1001-0000	0310-4100-0000	Pound: Cattery Holding System	Cap	10,000.00	6,879.93	3,120.07	3,120.07						3,120.07
5300-1005-0000	0312-4100-0000	Barellan RFS Station Amenities	Cap	87,950.00	59,210.46	28,739.54				28,739.54			28,739.54
5600-1010-0000	0512-4100-0000	Ndra Landfill Masterplan improvement works	Cap	174,127.00	24,163.09	149,963.91					149,963.91		149,963.91
5700-1004-0000	0513-4100-0000	Larmer St Flood Mitigation Works - Stage 2	Cap	32,000.00	26,690.25	5,309.75					5,309.75		5,309.75
5700-1007-0000	0513-4100-0000	Drainage Improvement Driscoll Rd	Cap	6,177.00	549.76	5,627.24					5,627.24		5,627.24
0800-1005-0000	0713-4201-0000	Barellan Cemetery Entrance gate	Cap	8,000.00	-	8,000.00	8,000.00						8,000.00
0800-1009-0000	0713-4102-0000	GG Cemetery Furniture	Cap	3,834.00	-	3,834.00	3,834.00						3,834.00
7700-1005-0000	0810-4200-0000	Book & Resources annual replacement	Cap	47,136.00	43,418.09	3,717.91	3,717.91						3,717.91
0200-1019-0000	0815-4200-0000	Ndra Sportsground drainages and soak	Cap	5,000.00	-	5,000.00	5,000.00						5,000.00
0200-1022-0000	0815-4200-0000	Ndra Sportsground Clubrooms	Cap	1,911,277.00	971,351.98	939,925.02		551,565.02		73,360.00		315,000.00	939,925.02
0200-1023-0000	0815-4101-0000	Outdoor Courts Furniture/Shelters	Cap	15,000.00	-	15,000.00	15,000.00						15,000.00
0200-1026-0000	0815-4101-0000	Barellan Netball Courts	Cap	103,500.00	-	103,500.00		103,500.00					103,500.00
0300-1037-0000	0816-4100-0000	MBP Drinking fountains/ bottle fillers	Cap	8,000.00	-	8,000.00	8,000.00						8,000.00
0300-1068-0000	0816-4100-0000	Other Town Park upgrades	Cap	20,000.00	-	20,000.00	20,000.00						20,000.00
0300-1069-0000	0816-4100-0000	2020-25 Tree Audit	Cap	50,000.00	12,000.00	38,000.00	38,000.00						38,000.00
0300-1070-0000	0816-4100-0000	Biosecurity Mapping System	Cap	30,000.00	6,940.00	23,060.00	23,060.00						23,060.00
0300-1071-0000	0816-4100-0000	Remote Signage	Cap	7,500.00	-	7,500.00	7,500.00						7,500.00
0300-1055-0000	0816-4206-0000	SCCF - Youth Food Van Project	Cap	50,000.00	40,838.22	9,161.78		9,161.78					9,161.78
0300-1059-0000	0816-4207-0000	POM - Destination & Discovery Hub	Cap	3,025,000.00	78,504.61	2,946,495.39			2,709,116.00		237,379.00		2,946,495.00
0300-1061-0000	0816-4207-0000	POM - Railway Heritage Bridge	Cap	20,000.00	10,454.84	9,545.16			9,545.16				9,545.16
0300-1062-0000	0816-4207-0000	POM - LTP Upgrades to Family Unit	Cap	319,496.00	232,939.87	86,556.13			86,556.13				86,556.13
0300-1063-0000	0816-4207-0000	POM - LTP Upgrades to Amenity block & Camp Kitchen	Cap	939,052.00	105,361.28	833,690.72			678,829.72		154,861.00		833,690.72
0300-1064-0000	0816-4207-0000	POM - LTP Level Sites	Cap	156,711.00	128,459.22	28,251.78			28,251.78				28,251.78
0300-1066-0000	0816-4207-0000	POM - Northbank Walking Track	Cap	390,393.00	7,744.42	382,648.58			382,648.58				382,648.58
0300-1067-0000	0816-4207-0000	POM - Northbank Bridge	Cap	20,000.00	1,457.93	18,542.07			18,542.07				18,542.07
0300-1051-0000	0816-4205-0000	DCF/LCRI - Narrandera Stadium Upgrade	Cap	207,407.00	151,117.50	56,289.50		25,979.71	30,309.79				56,289.50
0300-1076-0000	0816-4208-0000	LRCI - Brewery Flat Improvements - Fire Pits, Seating, Shelter	Cap	56,754.00	53,606.45	3,147.55		3,147.55					3,147.55
0300-1077-0000	0816-4208-0000	LRCI - Art Centre Storage - Deck and Storage at the rear of th	Cap	52,053.00	47,040.78	5,012.22	2,053.00		2,959.22				5,012.22
0300-1078-0000	0816-4208-0000	LRCI - Kiesling Lane Beautification	Cap	25,000.00	5,380.00	19,620.00			19,620.00				19,620.00
0300-1079-0000	0816-4208-0000	LRCI - Water Tower Surrounds - Tidy up and make usable (Ga	Cap	50,000.00	42,073.54	7,926.46		7,926.46					7,926.46
0300-1080-0000	0816-4208-0000	LRCI - Tree planting - All towns (Subject to consultation)	Cap	120,000.00	119,143.99	856.01		856.01					856.01
0300-1084-0000	0816-4208-0000	LRCI - Melbourne Street - Kerb & Gutter works,	Cap	99,000.00	44,412.12	54,587.88		15,714.88	38,873.00				54,587.88
0300-1085-0000	0816-4208-0000	LRCI - Laneway Upgrade - Drain and seal a selected laneway.	Cap	41,363.00	33,388.34	7,974.66			7,975.00				7,975.00
0300-1086-0000	0816-4208-0000	LRCI - Drainage Works (Various) - New Culverts and causewa	Cap	154,293.00	142,234.65	12,058.35		12,058.35					12,058.35
0300-1087-0000	0816-4208-0000	LRCI - Weir Park Road - 1200m gravel Resheet and Otta seal	Cap	80,263.00	77,280.49	2,982.51		2,983.00					2,983.00
0300-1088-0000	0816-4209-0000	Art on the Water Tower Stage 2	Cap	28,620.00	2,760.10	25,859.90		25,859.90					25,859.90
0300-1089-0000	0816-4208-0000	LCRI R2 - Barellan Pump Track	Cap	160,000.00	-	160,000.00		80,000.00	80,000.00				160,000.00
0300-1090-0000	0816-4208-0000	LCRI R2 - Grong Grong Village - Storage facility, toilet, and as	Cap	110,000.00	1,800.00	108,200.00		53,200.00	55,000.00				108,200.00
0300-1091-0000	0816-4208-0000	LCRI R2 - Wiradjuri Memorial Wall Stage 1	Cap	279,964.00	-	279,964.00	19,964.00	130,000.00	130,000.00				279,964.00
0300-1092-0000	0816-4208-0000	LCRI R2 - Ndra Sportsground - Disabled spectator access area	Cap	40,000.00	559.82	39,440.18		19,440.00	20,000.18				39,440.18
0300-1093-0000	0816-4208-0000	LCRI R2 - Ndra Sportsground - Installation of a digital scorebo	Cap	120,000.00	-	120,000.00		60,000.00	60,000.00				120,000.00

0300-1094-0000	0816-4208-0000	LCRI R2 - Brln Cemetery - Install unisex toilet & sewerage ma	Cap	75,000.00	-	75,000.00		37,500.00	37,500.00				75,000.00
0300-1095-0000	0816-4208-0000	LCRI R2 - Ndra Flora and Fauna reserve - Upgrade carpark & e	Cap	54,975.00	-	54,975.00		27,488.00	27,487.00				54,975.00
0300-1096-0000	0816-4210-0000	CRIF - Construct drainage and seal the remaining access road	Cap	88,092.00	1,656.10	86,435.90		86,435.90					86,435.90
0600-1009-0000	0818-4200-0000	LT Rec Seating and Shelter Revamp	Cap	10,000.00	-	10,000.00	10,000.00						10,000.00
N/A	0910-4200-0000	Urban Roads Construction	Cap	38,570.71		10,328.37	10,328.37						10,328.37
0006-1025-0000	0910-4200-0000	Arthur St (Victoria to Audley) Extend to kerb	Cap		120.65								-
0006-1026-0000	0910-4200-0000	Baylis St (Jonsen St to May St) Extend to kerb	Cap		12,169.09								-
0006-1027-0000	0910-4200-0000	Box Street (Barellan)	Cap		15,952.60								-
0006-1024-0000	0910-4200-0000	Culvert/bridge assessment works	Cap	35,050.00	19,367.00	15,683.00	15,683.00						15,683.00
0008-1019-0000	0910-4200-0000	Improvement of water haulage	Cap	15,000.00	-	15,000.00	15,000.00						15,000.00
0008-1020-0000	0910-4200-0000	Innovation for Rural infrastructure Mgmt	Cap	11,995.00	-	11,995.00	11,995.00						11,995.00
0008-1018-0000	0910-4200-0000	Urban K&G Replacement	Cap	50,982.00	15,147.89	35,834.11	35,834.11						35,834.11
0010-1126-0000	0911-4200-0000	Driscoll Road	Cap	175,000.00	-	175,000.00					175,000.00		175,000.00
0010-1110-0000	0911-4200-0000	Culvert Manderlay Road 7.78 km	Cap	8,440.00	-	8,440.00	8,440.00						8,440.00
0010-1111-0000	0911-4200-0000	Culvert McKenzies	Cap	6,255.00	-	6,255.00	6,255.00						6,255.00
0012-1030-0000	0911-4200-0000	Boree Road	Cap	108,463.00	71,067.19	37,395.81	37,395.81						37,395.81
0010-1123-0000	0911-4200-0000	FLR R1 - Paintings Bridge	Cap	540,000.00	510,612.66	29,387.34			29,387.34				29,387.34
0012-1027-0000	0911-4200-0000	FLR R1 - Brewarrana Bridge Retrofitting	Cap	600,000.00	184,413.77	415,586.23	80,000.00	17,568.00	318,018.23				415,586.23
0012-1029-0000	0911-4200-0000	FLR R2 - Sandigo Kywong Bus Route	Cap	526,541.73	79,634.70	446,907.03		310,615.03	136,292.00				446,907.03
0030-1002-0000	0920-4100-0000	Active Transport - Walking Barellan Footpath	Cap	52,115.00	48,387.21	3,727.79	3,727.79						3,727.79
0030-1017-0000	0920-4100-0000	Banner Poles Leeton Road	Cap	8,580.00	303.96	8,276.04	8,276.04						8,276.04
8500-1001-0000	1012-4100-0000	Red Hill Signage	Cap	3,700.00	-	3,700.00	3,700.00						3,700.00
8700-1004-0000	1013-4200-0000	Gateway/Entrance signs	Cap	20,000.00	15,816.48	4,183.52	4,183.52						4,183.52
9300-1015-0000	1023-4200-0000	Council Chambers Cleanout of Storage Facility	Cap	8,169.00	2,459.86	5,709.14	5,709.14						5,709.14
9300-1013-0000	1023-4100-0000	Museum - Ext. paint, disabled ramp, public toilets	Cap	50,404.00	24,464.17	25,939.83	25,939.83						25,939.83
9300-1004-0000	1023-4200-0000	Building renewal and upgrades in portfolio of Asset Manager	Cap	131,408.00	114,053.16	17,354.84	17,354.84						17,354.84
9400-1010-0000	1025-4200-0000	Runway, Taxiway & Apron resealing & re-mark	Cap	950,000.00	739,067.45	210,932.55			105,466.28	52,733.14		52,733.14	210,932.55
9400-1012-0000	1025-4200-0000	Installation (3) Apron Flood Lights	Cap	120,000.00	92,520.71	27,479.29			13,739.65	6,869.82		6,869.82	27,479.29
9400-1013-0000	1025-4100-0000	Security & Wildlife Perimeter fencing	Cap	437,550.00	27,892.27	409,657.73			204,828.87	102,414.43		102,414.43	409,657.73
				13,743,890.44	4,667,988.20	9,075,902.24	510,148.24	1,815,741.19	5,234,934.39	264,116.93	553,140.90	697,821.03	9,075,902.68
		Water Fund					Revenue	Unspent Grant /contribution	Future Grant	Contrib	Ext Reserve	Int Reserve	
2900-1024-0000	2000-4200-0000	Reservoir cleaning and structural assessment	Cap	16,128.00	4,568.40	11,559.60					11,559.60		11,559.60
2900-1038-0000	2000-4100-0000	WTP filter/Upgrade design	Cap	49,618.00	7,706.00	41,912.00					41,912.00		41,912.00
2900-1062-0000	2000-4200-0000	Pine Hill Reservoir Upgrade	Cap	580,191.00	187,614.12	392,576.88					392,576.88		392,576.88
2900-1071-0000	2000-4100-0000	Solar	Cap	5,000.00	-	5,000.00					5,000.00		5,000.00
2900-1072-0000	2000-4100-0000	IWCM Additional Works	Cap	138,674.00	7,900.00	130,774.00			98,080.50		32,693.50		130,774.00
2900-1073-0000	2000-4100-0000	Taggle Software & Implementation	Cap	60,000.00	782.09	59,217.91					59,217.91		59,217.91
2900-1074-0000	2000-4100-0000	Household Filter Project	Cap	100,000.00	53,101.15	46,898.85					46,898.85		46,898.85
		Total		949,611.00	261,671.76	687,939.24	-	-	98,080.50	-	589,858.74	-	687,939.24
		Sewer Fund					Revenue	Unspent Grant /contribution	Future Grant	Contrib	Ext Reserve	Int Reserve	
3900-1016-0000	3000-4100-0000	Primary filter - EPA	Cap	118,240.00	780.88	117,459.12					117,459.12		117,459.12
3900-1021-0000	3000-4200-0000	Manhole Replacements	Cap	57,290.00	49,186.05	8,103.95					8,103.95		8,103.95
3900-1025-0000	3000-4100-0000	Flow meters for Sewer Pump Stations 2, 3, 4	Cap	35,653.00	197.22	35,455.78					35,455.78		35,455.78
3900-1033-0000	3000-4100-0000	Narrandera West Sewer Extension	Cap	33,205.00	16,693.26	16,511.74			12,383.81		4,127.94		16,511.74
3900-1032-0000	3000-4100-0000	Barellan Sewer	Cap	155,000.00	61,289.98	93,710.02			70,282.52		23,427.51		93,710.02
3900-1037-0000	3000-4100-0000	Solar	Cap	5,000.00	-	5,000.00					5,000.00		5,000.00
		Total		404,388.00	128,147.39	276,240.61	-	-	82,666.32	-	193,574.29	-	276,240.61
		All Funds Total		15,097,889.44	5,057,807.35	10,040,082.09	510,148.24	1,815,741.19	5,415,681.21	264,116.93	1,336,573.93	697,821.03	10,040,082.53

Contract Asset = Money that is owed
Contract Liability = Grant paid in advance and unspent

Income GL	GRANT TYPE - C=C/w \$State O=Other	Exp GL
Contributions - Capital		
0815-1490-0001	O	200-1026
0815-1490-0002	O	200-1022
0815-1490-0004	O	200-1022
0816-1490-0007	O	
0915-1491-0000	S	Job 0015-7608
0915-1480-0000	S	
0919-1490-0000	O	
1025-1490-0000	O	

	Opening Balances 1-Jul-20								ANNUAL MOVEMENTS							Closing Balances 30/06/2021			
	Unspent Grants/Cont	Internal Restriction	Adjustments	Grant liability	Transfer from Grant Liability	Balance Liability	Grant Debtors(*)	Other Debtors(*)	Receipts for Yr: GST Excl. Amt	GST (if applic)	Funds Available	Expenditure during year	Grant Debtors	Transfer to Liability	Unspent Liability	Income for Year	Unspent Grants/Cont.	Contract Asset	Grant Debtors/ Accrued(*)
	(i)			(ii)		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)		(x)	(xi)	(xii)	(xiii)		(xiv)
Contributions - Capital																			
0815-1490-0001				103,500.00		103,500.00				103,500.00					103,500.00				0.00
0815-1490-0002				100,000.00	100,000.00					100,000.00	100,000.00								100,000.00
0815-1490-0004								100,000.00	10,000.00	100,000.00	100,000.00								100,000.00
0816-1490-0007							1,310.00												0.00
0915-1491-0000								104,432.00		104,432.00	104,432.00								104,432.00
0915-1480-0000																			0.00
0919-1490-0000																			0.00
1025-1490-0000								4,037.00					214,870.11						214,870.11
sub total - Cap. Grants & Contributions	17,111.00	0.00	0.00	1,391,515.49	1,288,015.49	103,500.00	776,971.95	8,175,373.08	10,000.00	8,807,027.62	9,045,075.11	783,411.82	1,477,499.50	1,580,999.50	7,992,328.94	10,095.00	250,621.91	532,789.91	
sub total - All Grants & Contributions	318,076.68	2,357,207.00	-2,633,431.00	1,506,046.00	1,402,546.00	103,500.00	917,669.09	16,198,934.09	14,504.43	17,029,163.68	17,370,899.18	853,536.28	1,493,461.10	1,596,961.10	16,043,886.18	218,779.00	250,621.91	602,914.37	
	Agrees to Note 6 (incl. in Revenues)																Agrees to Note 6 (incl. in Revenues)		
	Agrees to Note 7 Grants																Agrees to Note 7 Grants		
	Agrees to Note 3 Grants																Agrees to Note 3 Grants		
Developer contributions																			
0714-1485-0000							0.00	10,278.42		182,637.50					10,278.42				0.00
2000-1465-0000								4,034.00		323,942.83					4,034.00				0.00
3000-1465-0000										77,384.98					0.00				0.00
sub total	569,652.89	0.00	0.00	0.00	0.00	0.00	0.00	14,312.42	0.00	583,963.31	0.00	-	-	0.00	14,312.42	586,813.57	0.00	0.00	
	Agrees to 0.00 (incl. in Revenues)																Agrees to 0.00 (incl. in Revenues)		
	Agrees to Note 3 Contributions																Agrees to Note 3 Contributions		
Grand Total	887,729.57	2,357,207.00	-2,633,431.00	1,506,046.00	1,402,546.00	103,500.00	917,669.09	16,213,246.51	14,504.43	17,613,128.99	17,370,899.18	853,536.28	1,493,461.10	1,596,961.10	16,058,198.60	805,592.57	250,621.91	602,914.37	
	Agrees to Note 6 (incl. in Revenues)																Agrees to Note 6 (incl. in Revenues)		
	Agrees to Note 7 Disclosure																Agrees to Note 7 Disclosure		
	Agrees to Note 6 & Note 10																Agrees to Note 6 & Note 10		
	Agrees to Note 6 (incl. in Liab) & Note 10																Agrees to Note 6 (incl. in Liab) & Note 10		
Total Inc Developer Contributions	887,729.57	2,357,207.00		1,506,046.00											16,057,698.61	805,592.57			
	Agrees to Note 6 (incl. in Liab) & Note 10																Agrees to Note 6 (incl. in Liab) & Note 10		
Community Transport																			
0610-1450-0002								4,831.41		4,831.41	4,831.41				4,831.41				0.00
0610-1450-0003								45.45		45.45	45.45				45.45				0.00
0611-1086-0000								0.00		0.00	0.00				0.00				0.00
0611-1450-0001								33,471.85		33,471.85	33,471.85				33,471.85				0.00
0611-1450-0002								0.00		0.00	0.00				0.00				0.00
0611-1450-0004								6,648.39		6,648.39	6,648.39				6,648.39				0.00
0611-1450-0005								2,159.15		2,159.15	2,159.15				2,159.15				0.00
0612-1450-0001								4,775.48		4,775.48	4,775.48				4,775.48				0.00
0612-1450-0002								0.00		0.00	0.00				0.00				0.00
0612-1450-0003								25,540.33		25,540.33	25,540.33				25,540.33				0.00
0612-1450-0005								4,996.17		4,996.17	4,996.17				4,996.17				0.00
0612-1480-0001								13,367.91		13,367.91	13,367.91				13,367.91				0.00
0612-1480-0003								6,103.70		6,103.70	6,103.70				6,103.70				0.00
0612-1480-0005								0.00		0.00	0.00				0.00				0.00
0613-1050-0000								13,697.40		13,697.40	13,697.40				13,697.40				0.00
0613-1065-0000								52,721.28		52,721.28	52,721.28				52,721.28				0.00
0613-1450-0002								196,932.00		196,932.00	196,932.00				196,932.00				0.00
0613-1450-0003								51,281.36		51,281.36	51,281.36				51,281.36				0.00
0613-1450-0004								0.00		0.00	0.00				0.00				0.00
0613-1485-0000								29,649.26		29,649.26	29,649.26				29,649.26				0.00
0614-1460-0000								0.00		0.00	0.00				0.00				0.00
0613-1450-0001								196,094.70		943,573.11	102,182.80				196,094.70				0.00
sub total	747,478.41	0.00	0.00	0.00	0.00	0.00	0.00	642,315.84	0.00	1,389,794.25	548,403.94	-	-	0.00	642,315.84	841,390.31	0.00	0.00	
Grand Total	1,635,207.98	2,357,207.00	-2,633,431.00	1,506,046.00	1,402,546.00	103,500.00	917,669.09	16,855,562.35	14,504.43	19,002,923.24	17,919,303.12	853,536.28	1,493,461.10	1,596,961.10	16,700,514.44	1,646,982.88	250,621.91	602,914.37	

21 STATUTORY AND COMPULSORY REPORTING – OTHER REPORTS

Nil

PUBLIC MEETING CLOSES

At this point, members of the Gallery and Press are advised that Council will now move into Closed Session of Council for the consideration of the Confidential Items. They are asked to leave the Chambers and advised that they may return to the Chambers if they wish, upon resumption of Open Council.

22 CONFIDENTIAL BUSINESS PAPER REPORTS**RECOMMENDATION**

That Council considers the confidential report(s) listed below in a meeting closed to the public in accordance with Section 10A(2) of the *Local Government Act 1993*:

22.1 Mayoral Report - General Manager 2020/21 Annual Review

This matter is considered to be confidential under Section 10A(2) - a of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with personnel matters concerning particular individuals (other than councillors).

RETURN TO PUBLIC MEETING

At this point, members of the Gallery and Press may return to the Chambers for the conclusion of the meeting.