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Council Statements and Values

Our Vision

To be the recognised leader in Local Government through continuous learning and sustainability.

Our Mission

To ensure that the Council's long term role is viable and sustainable by meeting the needs of our residents in a responsible caring way, attract sustainable development while maintaining the traditional rural values, character and culture of our people.

Council Core Values

1. For Our Community and Visitors

We will provide a safe, clean and healthy environment in which all people have the opportunity to participate in and share in the Council's services and facilities.

2 For Our Community Committees

We will seek their opinion in relation to the services in which they assist us, offer relevant and timely support, and recognise their valuable contribution.

3 For Our Staff

We will create an atmosphere of team support, which encourages frank and honest communication, and the use of common sense and innovation in a safe and friendly working environment with the aim of efficiency.

4 For Our Councillors

We will treat all Councillors equally and ensure that they are provided with accurate and timely advice and expect that they will treat each other and the staff with due respect.

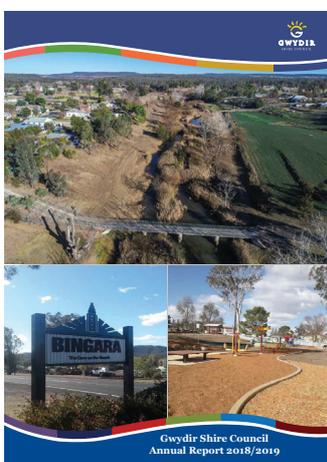
Council acknowledges the traditional owners
of the land, the Kamilaroi People and pays
its respect to Elders both past and present.

Welcome

Welcome to Gwydir Shire Council's Annual Report for 2019/2020. It is important to both Council and the community that we measure and report on our progress.

The plans are all interconnected. Progress toward the Operational Plan contributes to the implementation of the Delivery Program, which contributes to achieving our community's goals and objectives as outlined in the Community Strategic Plan. Measures are designed to inform each other and tell a story about Council's progress towards achieving the Community Strategic Plan, both day to day and over longer periods.

The diagram below identifies the types of reports we are required to provide and what reporting periods will be covered.



This Annual Report has been produced for the benefit of our community and stakeholders. It is designed to keep them informed about our activities during the 2019/2020 Financial Year. It is reporting on our performance against the 2019/2020 Operational Plan. The Operational Plan links directly to the Community Strategic Plan, Council's Delivery Program and Resourcing Strategy.

All the plans will be able to be viewed on the Council's website www.gwydirshire.com.

Community Consultation resulted in four key themes;



All NSW Councils provide different services. Some of these services are the traditional services such as infrastructure renewal and waste management or 'roads, rates and rubbish'. Others are not so traditional like some of the services we are required to provide including Residential Aged Care, Medical Centres, Children's and Youth Services.

Gwydir Shire Council is committed to meeting its commitments under the *Local Government Act 1993* – Sections 8A, 8B and 8C and to be transparent in reporting to our community and stakeholders. This Annual Report 2018-2019 is the primary means of sharing our performance in the last financial year.

If you would like to find out more about Gwydir Shire Council or contribute, through feedback, to the running of the Council you can do the following;

Visit Council's Website

24/7 access to council is provided through our website www.gwydirshire.com. On our website you will find information on our operations by viewing the IP & R Documentation, Agendas and Minutes along with key documents. Policies and guidelines are also available on the website. www.gwydir.nsw.gov.au

Facebook

We are on Facebook. Look for us on Facebook Gwydir Shire Council (Government Organisation). Enquiries, suggestions and comments can be posted here for consideration by the Administrator. Please 'like' us to make sure you get regular updates. www.facebook.com/GwydirShireCouncil

Council & Committee Meetings

Council Meetings are held on the last Thursday of every month commencing at 9am. Committee Meetings (involving the whole Council) are held on the second Thursday of every month commencing at 9am. Although this is not the forum to contribute, members of the public are encouraged to come along and sit in the gallery to view the business of the council. Information on the location and time of these meetings are published in the local media and on the website.

Community Public Meetings

Public Meetings in outlying centres are held once a year or when there are topical issues concerning certain areas. Residents are involved to attend these meetings and have their say on the future planning and current operation of the Council. Information on the location and time of these meetings are published in the local media and on the website.



Mayor's Introduction

What a successful and challenging year we have had.

Even though at the time of writing this correspondence Gwydir Shire Council has not registered one case of COVID-19 we have been

impacted greatly by the control measures required to be put in place to provide protection to our residents. Who would have ever contemplated at the commencement of this financial year that such radical change to operations would have to occur at such a rapid pace? I thank the Management and Staff involved that took on responsibility for these additional measures and worked hard to keep abreast of the rapidly changing COVID-19 environment.

The Drought continues to impact on our community. The impact of the drought on our community was a discussion point at every Council meeting. We listened to our community concerns and tried to address them with policy and action. Examples of this are the free water deliveries to rural households and the Drought Employment Program. The Drought Employment Program was introduced to try to address the rapid migration of skilled labour from our local government area.

The Council have supported community groups such as the Bingara Anglers Club who partnered with the Department of Primary Industries and Council to save native fish from diminishing water holes in the Gwydir and Horton Rivers. This was a huge success with 123 adult fish rescued. This was necessary during this period because the river conditions were dire with large stretches of the waterways bone dry and remaining pools stagnant and unsuitable to support any form of marine life. Reintroduction of these fish into the local waterways is important for the health and cleanliness of the rivers systems.

A small but dynamic group of volunteers are working to save the Warialda and District Koala population. Council has assisted this group through the provision of funding for the development of a site to plant koala food trees on the western side of Warialda. It was found that the local Koala population was becoming vulnerable to being attacked by pets due to the lack of moisture in the eucalypt leaves as they were forced to look for sources of water in the township. To combat this funding was provided to this group by Council

to build and install water stations around the Warialda township to keep the koala population, and other wildlife hydrated and safe from harm.

As in the previous year the Council was fortunate enough to secure further funding under the Stronger Country Communities Program. A comprehensive list of grant funded programs is outlined in this report. Significant grant funded programs have seen the development of the Bingara Library, Naroo Commercial Kitchen, All Abilities Park in Warialda, numerous sportsground improvements throughout the towns and villages and the commencement of the Bingara Pool Precinct development.

Council has been fortunate enough to have received further funding from the Stronger Country Communities Program, Drought Communities Program and COVID-19 Stimulus funding throughout the year. The Drought Communities Program funding – Round 2 will not commence until the 2020/2021 reporting year. However, COVID-19 Stimulus and Round 2 of the Stronger Country Communities Program have seen various projects throughout the Shire completed in the 2019/2020 year.

As a result of Federal Drought Stimulus, Council's 2019/2020 Roads to Recovery allocation increased from \$1,182,224 to \$1,773,336. This much-welcomed boost to Council's road rehabilitation budget allowed Council to resheet in excess of 70km of unsealed roads throughout the Shire during the reporting period, despite drought conditions making construction difficult in the first half of the year.

Without this State and Federal funding, many of these projects would not have gone ahead. Council would like to thank the State and Federal Government for this funding assistance and acknowledge the hard work of all staff who are responsible for seeing these projects through to completion. Many projects have already been completed and are ready for use by the community. Others will continue into the 2020/2021 reporting period.

It is pleasing to note that, due to COVID-19, the term of this elected Council has been extended to September 2021. This extension was granted to allow time to address the rapidly rising cost of local elections borne by local communities. Your Council is a dynamic group of community minded individuals that will continue to move council forward towards sustainability which is challenging in these exceptional times.

Cr. John Coulton, Mayor



General Manager's Report

Council's financial net operating result for the year is a \$1,087,000 profit. This was also an improvement on the Council's original budgeted forecast for the year. This past year has continued

to be very challenging for so many within our community. As the farming community began to see an improvement in the drought conditions that have existed since mid-2018 the economic downturn as the result of the COVID-19 pandemic hit.

The Council is well aware of the stress that our community is under and it continues to assist wherever possible. A number of internal policies and practices have been reviewed which has provided initiatives such as the waiving of interest on rates for those in financial stress, extended payment periods for rates, provision of household water, advocacy and referral services just to mention a few.

Due to the generosity of our sister city council, Willoughby City Council, our Council has been able to provide deliveries of potable water to our farming families and villages with access to only tank water during the worst of the drought. During 2019/2020 Council staff delivered a total of 10,745,000 litres of potable water across the Shire.

We were proud to have been able to provide casual employment for all of the individuals who applied for assistance under our first Drought Employment Initiative. This team was involved in works directly aligned with the projects funded under the Federal Government's Drought Support Funding. In addition to the casual workforce, Council went to great lengths to ensure that, wherever possible, local contractors were engaged in achieving the Drought Funded Projects that were identified by our community as their priorities.

This report outlines the wonderful community projects that the Council was able to deliver during this reporting period directly as a result of the continuing Stronger Country Communities' Funding and Drought Communities' Programs. These projects were all identified as priorities by our community during the Strategic Planning process and have only been able to be achieved

because of these funding programs. The Warialda High Productivity Vehicle (HPV) Route and Warialda Truck Wash Facility remain unopened.

Prior to commencing the High Productivity Vehicle (HPV) Route project the Council had negotiated a licence over the Crown Land required for the road corridor as well as the purchase of Lot 317, essentially the middle of the by-pass route, from the Moree Aboriginal Local Land Council (MALLC). With regard to the purchase of Lot 317 from the MALLC the purchase price was set and all the relevant and required Indigenous meetings to gain the members' approval were on track.

The problem that has delayed the completion of the project was the lodgement of a Federal Native Title Claim. There can be no dealings on any land issued to a NSW Aboriginal Local Land Council under the provisions of the NSW Aboriginal Land Rights Act 1983 when covered by a land claim under the Federal Government's Native Title Act 1993. This Federal Native Land Claim effectively meant that the Council needed to negotiate an Indigenous Land Use Agreement (ILUA) with the Federal Claimants in order to extinguish Native Title over Lot 317 prior to finalising the purchase of Lot 317 from the MALLC.

These ILUA discussions are continuing but although in principle agreement has been reached, a final sign off has been delayed due to the restrictions for public meetings involving the Federal Claimants who need to travel from far and wide, due to COVID-19.

The Council is also investigating any viable corridor alternatives.

The Warialda Truck Wash Facility has been completed, but it has been decided that the Council should modify the processing of the waste water to allow for its reuse after some onsite processing through retention ponds. This work will be completed in the 2020/2021 financial year and will ensure a far better environmental and sustainability outcome.

It was an extremely busy year and 2020/2021 looks to be just as busy.

*M Eastcott,
General Manager*

Our Council Area

Gwydir Shire is located on the North West Slopes and Plains of NSW, approximately 400kms north of Sydney, 120kms north of Tamworth, 300kms south west of Brisbane, 40kms west of Inverell and 40kms east of Moree.

The Shire sits at the crossroads of the Fossickers Way, a popular north-south touring route, the Gwydir Highway, a significant east-west route linking the NSW North Coast to Outback NSW and on Nature's Way (State Touring Route 3), which links Narrabri to Inverell via Gwydir Shire. The Bruxner Highway (east-west route) traverses the northern edge of the Shire with links into southern Queensland.

Much of Gwydir Shire lies between the 29°S and 30°S latitudes, placing it mid-way in the realm of arable lands within the Southern Hemisphere. It has a temperate climate with warm to hot summers (25°C – 35°C) and cool to mild winters (10°C – 20°C). The average elevation across the shire is approximately 350m above sea level. The Gwydir Shire lies about 300kms from the Tasman Sea and the north coast of NSW.

The Shire is part of the New England – North West Region of NSW (also known as the Northern Inland Region) and is bounded by Tamworth Regional Council to the south, Narrabri Shire to the south west, Moree Plains Shire to the west, Inverell Shire to the east and Uralla and Guyra Shires to the south east.

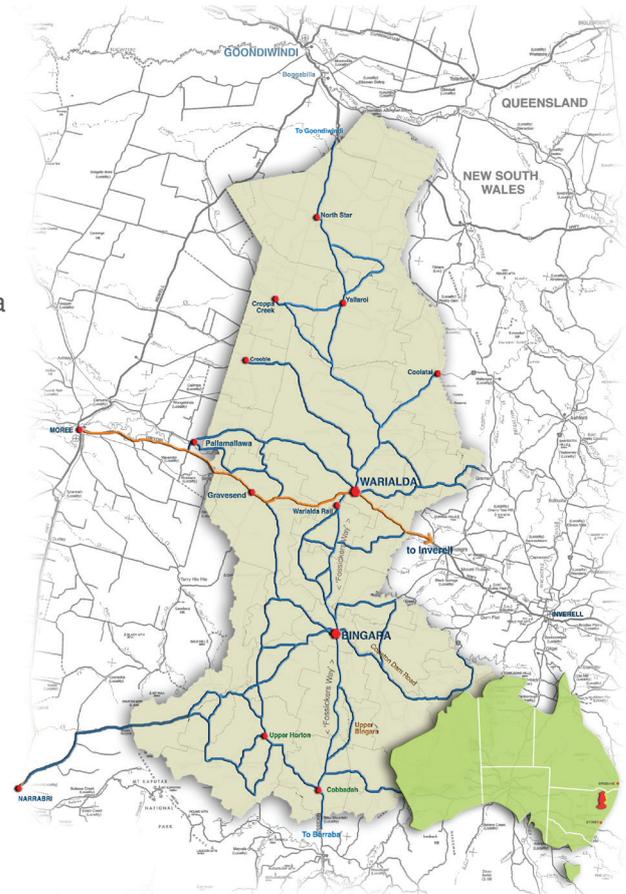
Incorporating an area of 9,122 square kilometres, Gwydir Shire extends from the Nandewar Range in the south and north to close to the Queensland border. The landscapes of the Shire are diverse, and in places, breathtaking.

The southern and central areas of the Shire are located within the Gwydir River catchment area with the Gwydir River flowing through Bingara and Gravesend. The southern areas of the Shire are hilly with pockets of highly fertile river flats along the Gwydir River and its main tributaries.

Mt Kaputar National Park forms the western edge of the Shire, with rugged remnant volcanic peaks and landforms rising above the Gwydir Valley. The northern part of the Shire lies within the 'Golden Triangle'. Built on the black soils from basalt outflows of the New England, it is one of the most productive agricultural areas in Australia.

Agriculture is the primary land use and economic activity within Gwydir Shire. Livestock production dominates in the southern and central areas of the Shire, with the Shire producing prime beef, lamb, and pork. The Shire has a collection of beef cattle and sheep properties with a number of renowned beef studs. Broadacre cropping is undertaken in the northern part of the Shire, with the main crops being wheat, sorghum and barley. Other crops include dryland cotton, other grains (oats, maize, triticale), hay and pasture seeds, pulses (chickpeas, field beans, mung beans, faba beans, lentils) and oilseeds (canola, soybeans and sunflowers).

In June 2015, Gwydir Shire had an estimated population of 5,068. The Shire has two small towns, Bingara and Warialda, located approximately 40km apart. Bingara services the southern part of the Shire. Located on the Gwydir River at the intersection of the Fossickers Way and Nature's Way (State Touring Route 3), Bingara is a popular stop for travellers.



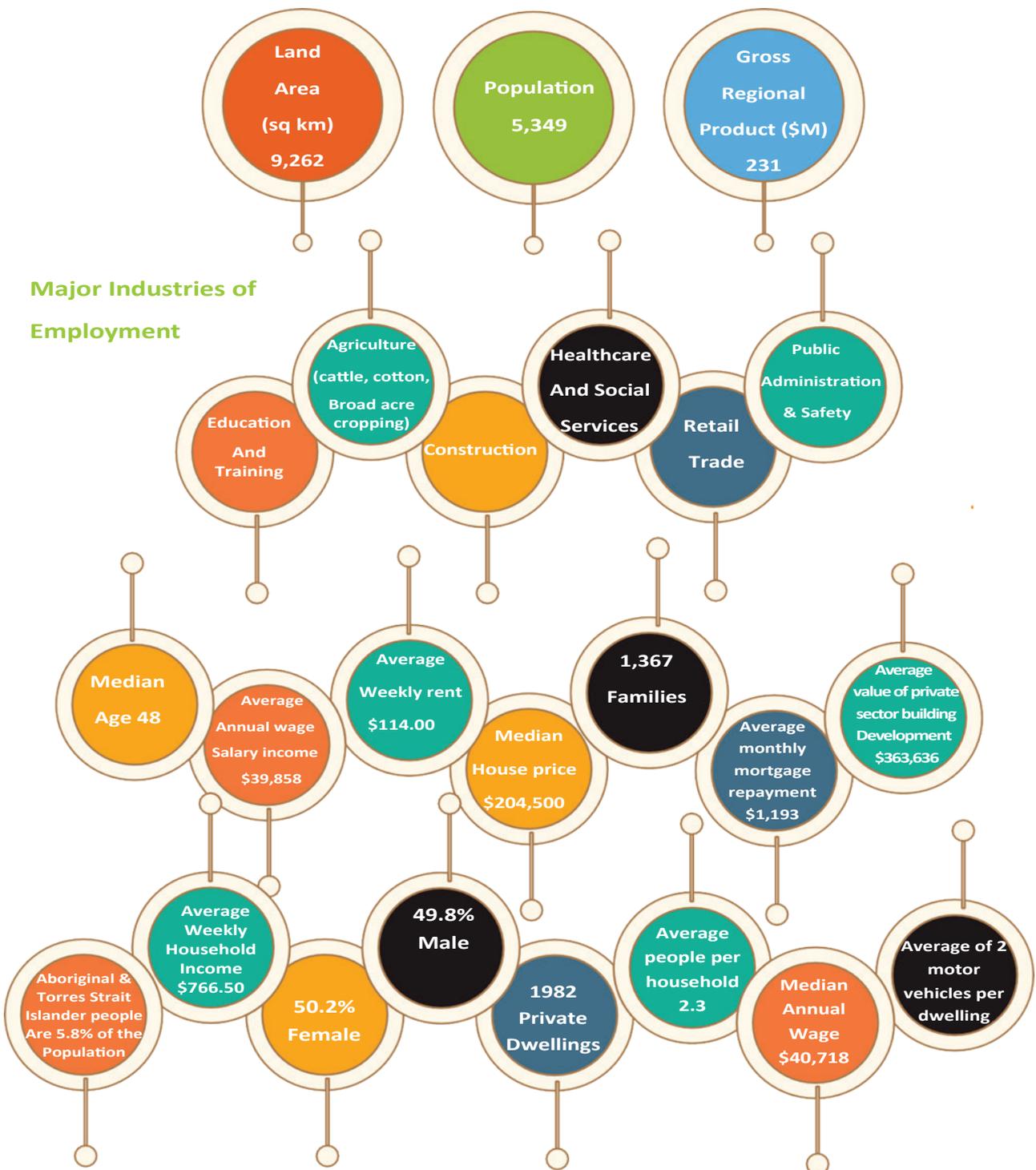


Warialda is located on the Gwydir Highway, midway between Inverell and Moree. The town is a service centre for both the surrounding rural area and Highway travellers.

Both towns have small, vibrant shopping centres, with IGA supermarkets, historic hotels, eateries and shops that meet the day-to-day needs of the community. There are also a few boutiques and some lifestyle and 'quirky' retailers that are always popular with visitors. Both towns are ideal to use as a stop-over base for exploring the Gwydir Shire and surrounding regions.

The Shire has five rural villages – North Star, Croppa Creek, Coolatai and Gravesend in the northern part of the Shire, and Upper Horton in the south. The Shire has 21 rural localities – Boonal, Blue Nobby, Yallaroi, Crooble, (part of) Pallamallawa and Balfours Peak in the northern half of the Shire, and Warialda Rail, Gineroi, Bangheet, Riverview, Elcombe, Pallal, Rocky Creek, Back Creek, Cobbadah, Gundamulda, Dinoga, Gulf Creek, Upper Bingara, Keera and Copeton in the southern half.

Gwydir Shire Council At A Glance

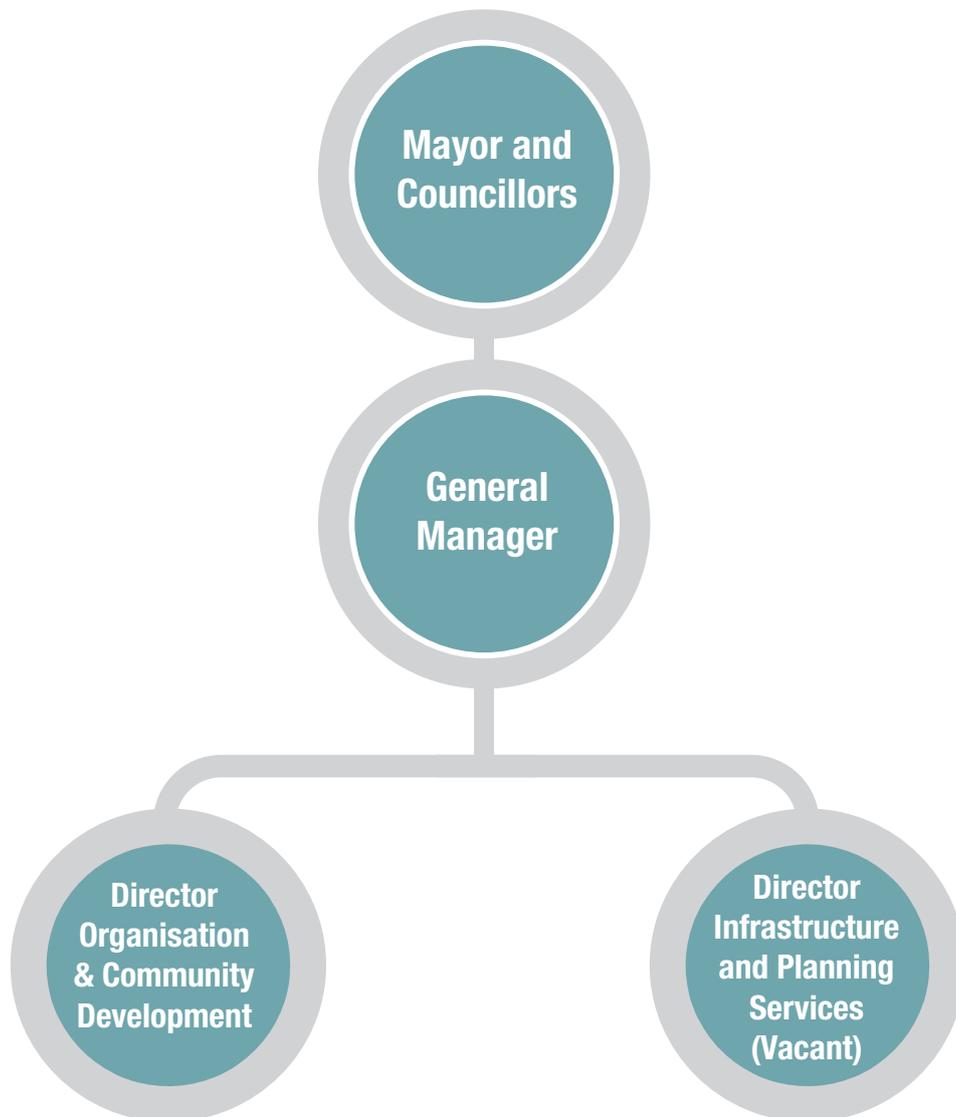


References: Australian Bureau of Statistics www.abs.gov.au, Regional Development Australia - Gwydir Shire Local Government Area

Gwydir Shire Council Organisation Structure

Below is the organisation structure in place during this reporting period. This structure was reviewed and changed in the first quarter of the 2019/2020 financial year.

Our Structure



Our Elected Council

Gwydir Shire Council elections were held on Saturday 10 September 2016. Outgoing Councillors who did not seek re-election were Crs Peter Pankhurst, Kerry McDonald, and Angela Doering.

Councillors John Coulton, Catherine Egan, Stuart Dick, James Moore, Marilyn Dixon, and Geoff Smith were all re-elected. Welcomed to Council were new Councillors Tiffany Galvin, David Coulton and Frances Young.

During the three years of their term John Coulton has been re-elected Mayor and Catherine Egan has been re-elected Deputy Mayor.



Cr. John Coulton - Mayor
3575 Allan Cunningham Road Warialda NSW 2402
Mobile: 0427 297 082
Email: jcoulton@gwydir.nsw.gov.au



Cr Catherine Egan - Deputy Mayor
4 Keera Street Bingara NSW 2404
Email: cegan@gwydir.nsw.gov.au



Cr. Tiffany Galvin
" Damehill" 167 Whitlow Road
Bingara NSW 2404
Email: tgalvin@gwydir.nsw.gov.au



Cr. Jim Moore
"Pepperbox" 90 Oregon Road Warialda NSW 2402
Email: jmoore@gwydir.nsw.gov.au



Cr Frances Young
10 Junction Street Bingara NSW 2404
Email: fyoung@gwydir.nsw.gov.au



Cr. David Coulton
112 High Street
Warialda NSW 2402
Email: dcoulton@gwydir.nsw.gov.au



Cr Geoff Smith
"Dalkeith" Warialda NSW 2402
Email: gsmith@gwydir.nsw.gov.au



Cr. Stuart Dick
"Kenya Park" 3921 Elcombe Road Bingara NSW 2404
Mobile Number: 0427 663 264
Email: sdick@gwydir.nsw.gov.au



Cr Marilyn Dixon OAM
55 Cunningham Street
Bingara NSW 2404
Email: mdixon@gwydir.nsw.gov.au



How the Annual Report is structured

This Annual Report is divided into three sections:

Section 1 – Gwydir Shire Council Achievements

This section provides an outline of Gwydir Shire Council's progress against the actions set out in the Delivery Program 2017-2021 and Operational Plan 2019/2020.

Section 2 – Statutory Reporting Requirements

This section includes the Statutory reporting requirements prescribed by the Local Government (General) Regulation 2005.

Section 3 – Financial Statements

This section includes Gwydir Shire Council's General Purpose Financial Statements for the Financial Year Ending 30 June 2020, including an Income Statement, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows.

Record of our Achievements Over 2019-2020





A healthy and cohesive community

The first key theme identified by our Community through the consultative process was a social objective that we titled 'A healthy and cohesive community'.

Council utilises a software program called Interplan to track progress against actions. Progress reports on the actions during the period of the Operational Plan are reported to Council quarterly.

This section of the report outlines the progress we have made during this reporting period in implementing the adopted Delivery Program 2017/2021. This section contains a summary list of the actions. Additional information on the achievements for Council Business Units is included following this summary information.

The Delivery Program identified a total of 122 actions to be completed over the period 2017/2021.

Other Actions have been introduced with the grant funding received by Council via Stronger Country Communities and Drought Communities Program. See grant-funding achievements for further details

Some of the achievements have included.

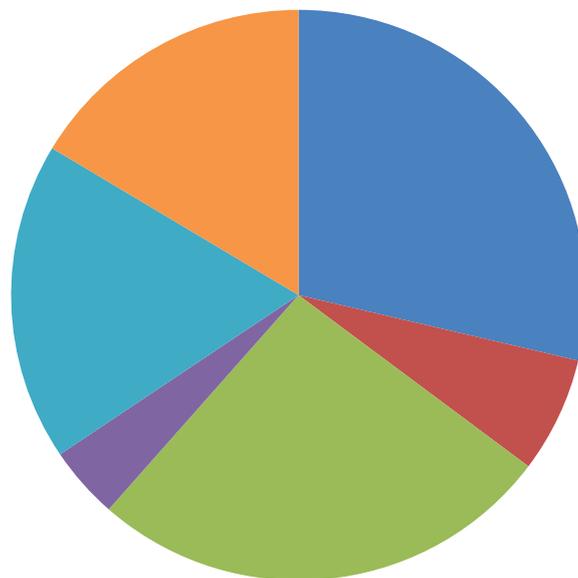
River Access Point (Pontoon) Gwydir River

Undertake analysis of existing cultural and community events and identify Council support priorities

Source funding for all abilities play equipment to improve playgrounds in the Shire

Bingara Swimming Complex – Activity Centre

A healthy and cohesive environment



■ Completed ■ Deferred ■ In Progress ■ Not approved ■ Not Started ■ Ongoing



Building the business base

The second key theme identified by our Community through the consultative process was an economic objective that we titled 'Building the business base'.

Council utilises a software program called Interplan to track progress against actions. Progress reports on the actions during the period of the Operational Plan are reported to Council quarterly.

This section of the report outlines the progress we have made during this reporting period in implementing the adopted Delivery Program 2017/2021. This section contains a summary list of the actions. Additional information on the achievements for Council Business Units is included following this summary information.

The Delivery Program identified a total of 178 actions to be completed over the period 2017/2021.

Some of the achievements have included.

Promote Gwydir Koalas

Water Meter Replacement Program

Annual Roads Program

Bingara Caravan Park upgrade amenities

Refurbish kitchen facility at Naroo Aged Hostel

Warialda Elevated Water Tower Tank Replacement

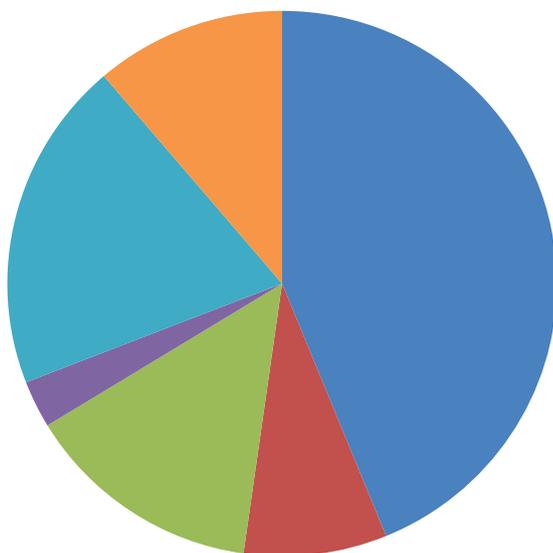
Gravesend Water Quality Investigation

Update Gwydir Shire websites

Bingara Library relocation and development

Gwydir Shire Business Awards for 2020

Building the business base



■ Completed ■ Deferred ■ In Progress ■ Not approved ■ Not Started ■ Ongoing



An environmentally responsible shire

The third key theme identified by our Community through the consultative process was an Environment objective that we titled ‘an environmentally responsible shire’.

Council utilises a software program called Interplan to track progress against actions. Progress reports on the actions during the period of the Operational Plan are reported to Council quarterly.

This section of the report outlines the progress we have made during this reporting period in implementing the adopted Delivery Program 2017/2021. This section contains a summary list of the actions. Additional information on the achievements for Council Business Units is included following this summary information.

The Delivery Program identified a total of 81 actions to be completed over the period 2017/2021.

Some of the achievements have included.

Gwydir River Foreshore Management Plan – in progress and will continue to be rolled out over coming years.

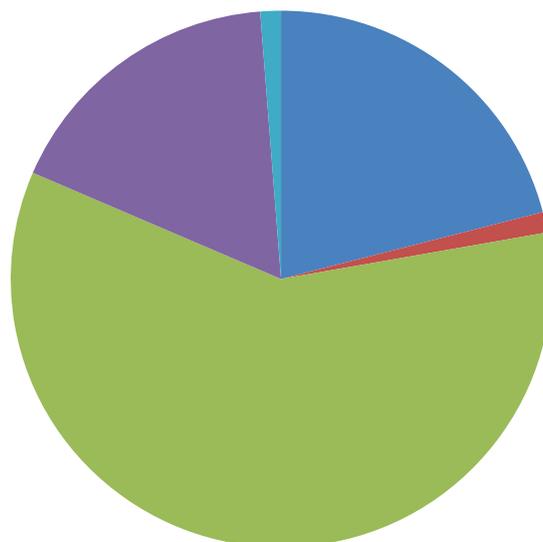
Manage Noxious Weeds

Use urban design guidelines to develop a Development Control Plan to retain the character of Shire towns.

Implement Gwydir Shire Council’s Waste Management Strategy

Community Participation Plan implemented

An environmentally responsible Shire



■ Completed ■ Deferred ■ In Progress ■ Not Started ■ Ongoing



Proactive regional and local leadership

The fourth and final key theme identified by our Community through the consultative process was a civic leadership objective that we titled ‘Proactive regional and local leadership’.

Council utilises a software program called Interplan to track progress against actions. Progress reports on the actions during the period of the Operational Plan are reported to Council quarterly.

This section of the report outlines the progress we have made during this reporting period in implementing the adopted Delivery Program 2017/2021. This section contains a summary list of the actions. Additional information on the achievements for Council Business Units is included following this summary information.

The Delivery Program identified a total of 27 actions to be completed over the period 2017/2021.

Some of the achievements have included.

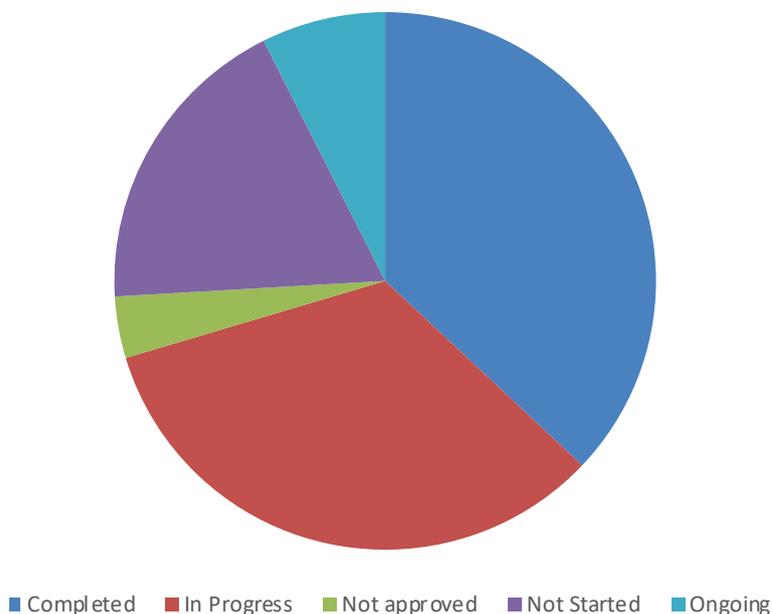
Continue to liaise with and support the Friends of Naroo committee.

Review effectiveness of communication channels throughout Gwydir Shire

Support the Myall Creek Memorial committee

Continue to liaise with Rural and Remote Medical Services (RaRms) to ensure Council’s medical facilities are fit for purpose and provide optimal service

Proactive regional & local leadership



Our Financial Achievements

Gwydir Shire Council has posted another profitable year for 2020. Council is continuing to utilise the large number of Grant Funding that has been available to complete projects for all of our communities within the Shire. This is a pleasing result and Council will continue to work towards maintaining these good results.

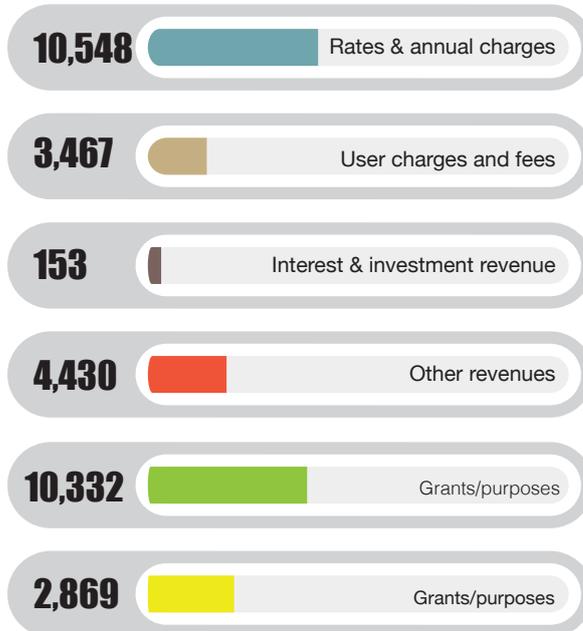
The breakdown of monies that Council receives and expends are tabled below.

Income Statement	(\$'000)
Total Income from Continuing Operations	\$34,114
Total Expenses from Continuing Operations	\$33,027
Net Operating Result from Continuing Operations	\$1,087
Net Operating Result before Capital Grants and Contributions	(\$1,782)

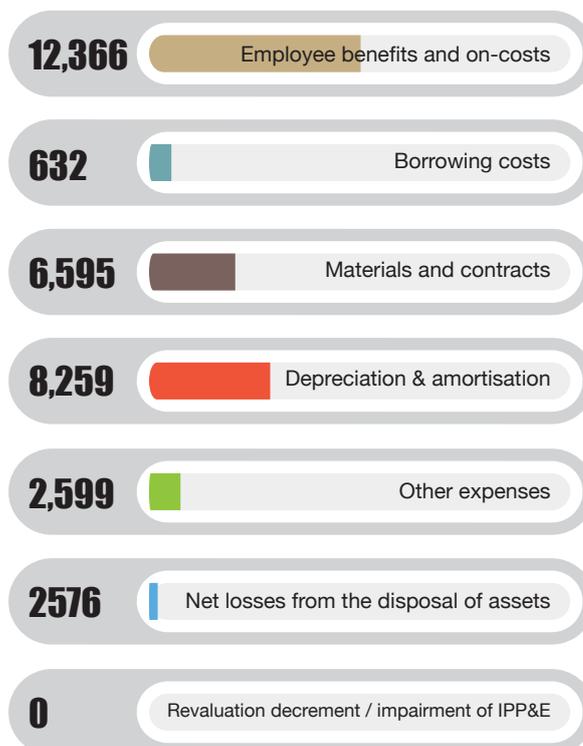
Balance Sheet	(\$'000)
Total Current Assets	\$15,874
Total Current Liabilities	\$9,249
Net Current Assets	\$6,625
Total Non-Current Assets	\$412,087
Total Non-Current Liabilities	\$10,989
Total Equity	\$407,723

Gwydir Shire Finances at a Glance

Council Income - where our money comes from



Council Expenses - where our money goes



Our achievements through our grant funded works programs

Stronger Country Communities

The Stronger Country Communities Fund was established in 2017 by the NSW Government to help deliver local projects to regional communities.

The objective of the fund is to provide projects that improve the lives of people who live in regional areas and since 2017, the Stronger Country Communities Fund has invested \$300 million (Round 1 - \$100 million and Round 2 - \$200 million) to assist 93 regional NSW Local Government Areas deliver over 1000 projects.

Round 2 Projects

- Carinda Community Centre – new kitchen, stump room, air-conditioning and rear parking area
- Croppa Creek hall improvements
- Gwydir Oval new amenities building
- Bingara Historical Centre additional building
- Gravesend Sportsground new amenities
- Bingara Library - Civic Centre redevelopment
- Bingara Sporting Club – Change room upgrade and air- conditioning to Fitness Centre
- Warialda Showground kitchen upgrade
- Warialda Swimming Pool improvements
- Bingara Showground stables
- Playground improvements across the Shire
- Warialda Rail Sportsground improvements
- Gwydir Oval grandstand upgrade
- Warialda Recreation Ground improvements

Total allocation of grants for Round 2 is \$1,551,985

Everyone Can Play – Warialda All Abilities Park

The creation of inclusive playspaces requires a new way of thinking about the way playspaces are planned, designed and managed. The three principles of Everyone Can Play will guide thinking around how to create more inclusive playspaces across NSW. When it comes to determining if a playspace is truly inclusive, it is important to consider the wider context. Look outside, around and through the playspaces and ask: Can I get there? Can I play? Can I stay?

The 2020-21 Everyone Can Play program focused on funding inclusive playspaces across NSW by partnering with councils to design and construct new playspaces and upgrade existing playspaces in line with the Everyone Can Play Guideline. This allowed the NSW Government and councils to immediately deliver on-ground benefits to the community. Gwydir Shire was successful in obtaining funding to convert the park space across from the Warialda hospital and Naroo into a wonderful all-inclusive park facility for all members of the community to be able to enjoy together. facilities.

Big River Dreaming – Water Weaving Way

In April 2018, the NSW Government announced Council secured \$2 million for a visionary Bingara tourism project – Big River Dreaming, Water Weaving Way. Council is contributing \$700,000 in labour and plant.

The project will see The Living Classroom, Cunningham Park Pool Precinct and Myall Creek Massacre Memorial sites linked. The project will feature a new splash park, pontoon, activity centre, pathways, rest stops, interpretative signage and a new Interpretative Centre at The Living Classroom.



Bike Trails & Rest Stops

Works have progressed with the Big River Dreaming Bike Trails and Rest Stops. The planned works are to follow trails through both Crown Land, adjacent to the Delungra Road and through the Bingara State Forest, from Bingara to the Myall Creek Memorial and then back again via the Whitlow Road. The trails will incorporate five rest stops, each with different interpretive signage and facilities.

The first rest stop will be situated at the Delungra Road and Allan Cunningham Road intersection, where works have begun increasing the parking space and installing a shaded picnic area with seats and tables and also a waterless toilet facility.

The second rest stop is situated at the Sheep Station Creek Road and Delungra Road intersection, where works have also begun constructing a large turnaround and parking area. Two shaded picnic areas with seats and tables will also be installed and a walking track down to the creek.

The third location is the existing facilities at the Myall Creek Memorial on Whitlow Road, where upgrades to the memorial and walking paths have already taken place. Private works are also in progress and approaching completion at the memorial for new facilities through funding received from the committee.

Heading back along Whitlow Road, the fourth and fifth stops are located at the Upper Whitlow Road and Whitlow Road intersection and the Bobby Whitlow Fossicking Area, respectively. These have both had parking areas constructed, with the Bobby Whitlow rest area being sealed with bitumen and will also have a picnic table and seating installed at each.

Works are now scheduled for completion by December 2020.

Gwydir Shire Council Drought Employment Initiative

Councils do make a difference

Recent rainfalls in much of NSW have turned barren landscapes into lush green paddocks and bone-dry dams into lifesaving oases, lifting the spirits of farming communities and providing a much needed reprieve from the grips of unfathomable drought.

It is almost now impossible to clearly remember the despair and desolation across much of Gwydir Shire. Although it is still very much in the forefront of every farming families mind when looking to planning for the future.



At the drought's peak, The Gwydir Shire in the north-west of NSW was described as the "epicentre of the drought", with the long-term impacts devastating the whole community. Those reliant on the land as a source of income, retailers, tradesmen, and schools all experienced a significant downturn.

The Council held a Drought Forum in September 2019 and invited representatives from local business, service clubs, medical service providers, schools, emergency services and NSW Farmers. In addition to this, a series of community meetings were held throughout the Shire.

The Council listened to its community and took action where it could.

One of the Shire's initiatives was the establishment of a Council Funded Drought Employment Initiative. The Council knew that skilled individuals and their families were leaving our community en masse as their work had dried up along with the country.

The Council heard our farming business people say that they desperately needed these people to stay in our community because when it rained again they would be essential to ensure that the farms returned to their productive best. The Council also knew that there were farmers who had no income and were unable to look for work due to the fact they were still feeding and attending to the health needs of their remaining stock. Out of these conversations grew the Council's Drought Employment Program.

The Council embraced the recommendation from the staff and moved to allocate \$400,000 for wages and \$100,000 for materials, an allocation of just under 7% of the Council's rates and annual charges. Projects were chosen from the extensive list of unfunded community requests that were received through the strategic planning process. Wherever possible the Council attempted to develop projects that complemented and added value to those projects funded under the State and Federal programs.

The employment program was open to all Gwydir Shire residents who had been impacted by the drought. It was designed to be flexible, working around the existing on-farm commitments of the applicants such as stock feeding and watering. Applicants were asked to submit a resume outlining



their skills and qualifications. Qualifications however were not a prerequisite for employment as it was acknowledged that the large majority of rural workers had skills that were not recognised with a formal qualification.

The Drought Employment Program provided those individuals an opportunity to gain formal recognition for those skills as well as providing the opportunity to obtain qualifications in other areas such as Administration and First Aid.

These individuals were required to undertake the normal pre-employment screening process. A total of 17 individuals were employed under the Council Funded Drought Employment Program. They were engaged in specific drought funded projects in labourer and plant operator positions, as well as in office, aged care, handyman and gardening roles. The Council received applications from residents who were able to slot immediately into customer service roles in the Council's administration offices and at the Council's aged care facility.

In October 2019, the magnitude of the drought hit an all-time high when one of this Shire's longest running and largest employers, McGregor Gourlay Agricultural Services, was forced to reduce staffing hours. One by one, employees were told that to ensure the business could make it through the drought the majority of staff would have to move to a four-day week and take a 20 per cent pay cut.

Never had the communities of the Gwydir Shire seen such environmental, economic and social devastation and dislocation, with many comparing it to the Dust Bowl in the Southern Plains of the United States during the 1930s great depression.

While times were extremely tough, Gwydir residents remained resilient and Gwydir Shire Council was committed to ensuring the well-being and survival of the Shire's residents.

Gwydir Shire Council formulated a number of innovative initiatives to assist its communities to manage the effects of the drought in addition to its Drought Assistance Program, which included free assistance to complete funding and grant applications, mental health support training, farming families' drought support dinners and events and delivering just under 11 million litres of potable water to farming families without charge.

The potable water deliveries were undertaken with a significant level of support from the Shire's 'sister city' Willoughby City Council. Overall the support offered by Willoughby's Mayor, Gail Giles-Gidney, and General Manager, Debra Just, during the drought period was greatly appreciated and assisted in maintaining a positive attitude within the Council and broader community; we didn't feel alone and as if no one cared.

The Council successfully negotiated with the Federal Government to allow the Council to directly employ those residents affected by the drought to deliver various community works' projects in the Federal Government's Drought Stimulus Package. This was slightly outside the rules but a sensible outcome that allowed much needed income to be directed to farming families.

The Shire also had bush fires in several locations across the Shire but not, fortunately, to the same severity as other rural communities.

Just when the Shire was slowly moving out of the drought the COVID-19 virus resulted in a different type of disruption to our way of life.



To fully understand the positive impact of the Council's Drought Assistance program it is necessary to hear from the participants. Eve Jones, Kristy Matthews, Mark Everett, Scott Revelle and Ben Crowley have all spent time working with Gwydir Shire Council staff to deliver some projects and services that in some instances would not have been completed. All are hard working individuals whose experience on the farm has transitioned into the projects that they have been involved in with Gwydir Shire; they have also gained new skills that they can in turn use to help with life and jobs on the farm.

Here is what they had to say about their time with Gwydir Shire:

Eve Jones

What department/area have you worked in at Gwydir Shire?

I have been working part time *"Employed as an Administration Assistant at Naroo"*

How has the Gwydir Shire Council Drought Employment Initiative program assisted you and your family?

"The employment programme gave our family more certainty and financial security during the drought and then to be hit by the pandemic at the same time, this seriously affected our Dairy Distribution business. Within 3 days of it been declared a Pandemic, cafes, restaurants and pubs closed, which was our main source of business. We were forced to only have our son working the business and my husband out of work. It was a frightening prospect at the time, but having Drought Assisted Employment was crucial to our family's wellbeing."

How has your experience been working at Gwydir Shire Council?

"My professional learning and assisting the amazing Sharon Baker, Aged Care Manager, has opened opportunities for further learning and personal growth I'm extremely grateful to the Gwydir Shire for the amazing opportunity."

What has been a highlight during your time at Gwydir Shire?

"Definitely working with the residents and supporting the community, it is an absolute pleasure and honour to be a part of their lives, extremely rewarding."

Kristy Matthews

What department/area have you worked in at Gwydir Shire?

Kristy was employed in the customer service area of the Shire, working in both Bingara and Warialda

How has the Gwydir Shire Council Drought Employment Initiative program assisted you and your family?

"Due to the drought I was made redundant at my previous job, we had just purchased a house in the area and have a family to support; I was becoming very worried about the future. When offered a drought position with the Gwydir Shire Council I was extremely grateful to say the least. If it wasn't for this position I don't know where I would be now."

How has your experience been working at Gwydir Shire Council?

"I have learnt so much through this position and have had the opportunity to work with so many great people. With the skills that I have learnt I have now been offered another position within the Council."

Mark Everett

What department/area have you worked in at Gwydir Shire?

"I have been employed part time at Council's The Living Classroom facility 3 days per week."

How has the Gwydir Shire Council Drought Employment Initiative program assisted you and your family?

"I have been working 3 days per week at the Living Classroom; this has helped financially as I had minimal income from the farm due to the drought. The three days were flexible; I normally worked Monday, Wednesday and Friday but it was no problem to work the three days in a row if I had other commitments."

How has your experience been working at Gwydir Shire Council?

"It's been a great experience working at Council, it's a good change to the farm, it's good for the head space. I like the workplace interaction with staff, visitors and school groups. There is diversity in the role and new challenges for me each day."

What has been a highlight during your time at Gwydir Shire?

"The highlight has been working with people and developing people skills - a lot different from working alone and with livestock."

Scott Revelle

What department/area have you worked in at Gwydir Shire?

"I have been working 3 days per week with the Town Utilities team and some other areas when required"

How has the Gwydir Shire Council Drought Employment Initiative program assisted you and your family?

"I have been working 3 days per week with Town Utilities section and some other areas; this has helped financially as I had minimal income from the farm due to the drought. My wife also loves it as it gets me out of the house."

How has your experience been working at Gwydir Shire Council?

"It's been a great experience working at Council; it's a different working environment to the farm. I'm used to making all the decisions on the farm and with Council there are a lot of people involved in the projects and different processes and protocols to follow, not saying that in a bad way but it is different."

What has been a highlight during your time at Gwydir Shire?

"The highlight has been completing lots of different projects and getting a sense of achievement that the projects are making to the community. You can really see the difference in the town with the projects we have undertaken, for example the cemetery columbarium paving, erecting the Anglers club shelter, installing crowd barrier at Gwydir oval and lots of fencing around town streets, parks and The Living Classroom has tidied the appearance to the town."

Ben Crowley

What department/area have you worked in at Gwydir Shire?

"I have been working 3 days per week with the Town Utilities team and some other areas when required"



How has the Gwydir Shire Council Drought Employment Initiative program assisted you and your family?

“Working 3 days per week with Town Utilities section and some other areas has helped financially as I had minimal income from the farm due to the drought. The 3 days is good as it still allows you to have days on the farm to do jobs there.”

How has your experience been working at Gwydir Shire Council?

“It’s been a great experience working at Council, I like the team environment and the interaction with the other drought guys plus council staff.”

What has been a highlight during your time at Gwydir Shire?

“The highlight has been completing lots of different projects and I am proud of the projects we have undertaken and seeing new infrastructure installed for the community to use.”

Some of the projects the staff of the Drought Employment Initiative have completed include:
You will find some pictures of these projects throughout this document

- Bingara Library relocation
- Gwydir Oval Amenities upgrade
- Bingara CWA Park Playground fencing
- Bingara Caravan Park fencing
- Gwydir River Boat Ramp shed pad and concreting
- Batterhams Lookout seating and concreting
- Bingara Boat Ramp shelter and tables
- Shire water deliveries
- Warialda Cemetery improvements
- Warialda Caravan Park improvements
- Warialda Koala Park
- Carinda House improvements
- Coolatai Drum Muster
- Croppa Creek Landfill fencing
- The Living Classroom fencing
- Shire wide furniture repairs and maintenance
- Bingara Visitor Information Centre improvements
- Gwydir Oval crowd control fencing and grandstand painting
- Bingara Cemetery improvements
- Gwydir River Common fencing
- Bicentennial Park fencing
- Bingara CWA Park shelter construction
- New Street bin installation across Shire
- Town Streets cleanup

Our achievements through our Section 355 Committees

Bingara Historical Society

Funding was successfully sought to renovate and build an additional office and storeroom at the Museum site from the NSW Government Stronger Country Communities Fund Round 1 in the sum of \$51,150.

This project was completed during the reporting period. In addition, the Society has further developed the Main Street Buildings Historical Walk signage. It is hoped that these signs will be installed by the end of October 2020.

Many thanks to the Society's volunteers who continue to research and answer family history queries and present the museum in such an interesting and positive manner. Many donations of items, photographs and memorabilia were made to the Society. All historical items with connections to the area are greatly appreciated and valued.



Bingara Anglers' Club

During the reporting period Council released four staff to assist the NSW Department of Primary Industries (DPI) - Fisheries staff to rescue native fish from the Horton River, Rocky Creek and Myall Creek. This project was the first-time people other than DPI staff had been authorised to undertake such action.

The River and Creeks were identified as hotspots, where fish kills events were extremely likely to occur.

Using vehicles fitted out with temperature and oxygen-controlled tanks, fish were moved to the Bingara Hatchery as well as being released into the Gwydir River. Well over 100 native fish were saved as a result of this exercise.

In January 2020, the Club submitted an Expression of Interest for funding under the Federal Government's Communities Environment Program. This submission was successful in the sum of \$20,000. This funding will be used to upgrade the hatchery, including improving the existing breeding ponds, the construction of a tank, installation of a pump and filtration system and appropriate fencing and protective cover.

The committee was a worthy recipient of the Australia Day Awards in Bingara winning the inaugural Environmental Citizen of the Year Award. This thoroughly deserved award highlighted the outstanding commitment of the Anglers' Club members to the health and preservation of the fish population of the local river systems.

The Club was also a finalist in the NSW Australia Day Awards – Environmental Citizen of the Year.

Warialda Preschool

During the reporting period Preschool staff and the Committee successfully sought funding through the NSW Government Department of Education Quality Environments Grant. This funding saw the construction of an open verandah which is used as an eating and activities area, and the renovation of the amenities which includes new flooring, basins and toilets. 54 children were enrolled at the Preschool. The Preschool has managed the implications of COVID19 well without incident.

Warialda Historical Society

Society volunteers continually research and provide information to family history enquiries. Volunteers also continue to deliver the “Be Connected” program, which ties in with the regularly run Family History sessions on Wednesday nights. In February the Society hosted author Stephen Wallace, who presented his book “Mayfield Girl”. Stephen’s father was a chemist in Warialda during the 1940s, and his mother was a nurse at the hospital. The book is a memoir of his mother’s life, part of which is recounting her time in Warialda. The society volunteers have worked closely with Council staff with regard to a project at the Warialda Cemetery. This project has seen markers and plaques placed on unmarked graves in the general cemetery. The Men’s Shed members have assisted by producing cement blocks for this project. Sales of the society’s new Cemetery Book are directed towards this project. Members of the general public can participate by purchasing plaques and grave markers for family members.

Many thanks to the Society’s volunteers who continue to research and answer family history queries and present the museum in such an interesting and positive manner. Many donations of items, photographs and memorabilia were made to the Society. All historical items with connections to the area are greatly appreciated and valued.

Warialda Sports Council

In 2019/2020 the Sports Council contributed \$10,000 to the NSW Government Stronger Country Communities Fund Round 3 – Nicholson Oval lighting project. This project is due for completion by the end of 2020/2021 reporting period.

Croppa Creek Hall

Funding was successfully sought to renovate the Hall kitchen and to construct a covered deck from the NSW Government Stronger Country Communities Fund Round 2 in the sum of \$70,000. This project was completed during the reporting period.

Gravesend Community Group

The Gravesend Community Group held its Annual General Meeting on 31 July 2019. The Group reported that the Hall renovations were progressing well. The restumping, flooring, roof (including guttering), wall relining, and roof cavity electrical cabling had been completed.

During the reporting period works were completed including the construction of internal steps, rear access stairs and handrails.

Gravesend Public Recreation Reserve

The management of the Gravesend Public Recreation Reserve was transferred to Council on 19 October 2019.

Warialda Rail Community Group

In October 2019, the committee hosted a successful fundraiser in the form of a Mini Debutante Ball at the Warialda Memorial Hall.

Warialda Rail Public Recreation Reserve

In March 2020, the Gazettal Notice for appointing Gwydir Shire Council as the Crown Land Manager occurred, therefore, Council now manages the Reserve on a day-to-day basis from the handover date, which was Friday, 6 March 2020. Councillors Marilyn Dixon, David Coulton and Stuart Dick were present at the handover.

Crooble Hall

Funding was successfully sought to air condition the Hall and install a water tank and pump system from the NSW Government Stronger Country Communities Fund Round 3 in the sum of \$52,713. Project works are set to commence in October 2020.

Coolatai Sportsground Committee

The drought and COVID19 have impacted the Committee as many annual events were cancelled. The Committee remains active, the hall and amenities clean and well presented to grey nomads and community members.

Myall Creek Memorial – liaison

Council was represented at the Friends of Myall Creek Committee meetings each quarter during the 2019/2020 reporting period.

Carmen Southwell was invited to speak at the Reconciliation Australia Symposium held at Blacktown on 30 July 2019. The main attendees were from Local Government as the goal for the event was to inform and encourage Councils to engage with local reconciliation community groups and Indigenous communities to advance reconciliation within the wider community. Reconciliation Australia deems Gwydir Shire Council as a leader in Local Truth Telling and an example of 'best practice'.

On Tuesday 13 August 2019, at the invitation of the Friends of Myall Creek Memorial Committee Cr Catherine Egan, and senior staff met the Honourable Don Harwin, NSW Government Minister for the Public Service and Employee Relations, Aboriginal Affairs and the Arts, and Member for Northern Tablelands, Adam Marshall at Myall Creek. They were joined by local Aboriginal Elders and many school students from Bingara, Warialda, Inverell, and Bundarra at the memorial site. Guests enjoyed several traditional songs and dance performances followed by a picnic lunch organised by Council. Following the recent windstorms, five trees were identified as hazardous at the Myall Creek Memorial Site. On Thursday, 26 September 2019, these four trees were lopped, and one removed by Council staff.

On Friday, 13 September 2019, Council staff, together with representatives of Friends of Myall Creek Committee and Aboriginal Elders, visited Myall Creek Station at the invitation of its owner. This was a special day which the Elders will remember fondly.

A Welcome to Country smoking ceremony was conducted at the Myall Creek Memorial site on 15 January 2020. This was to mark the commencement of the works project which will see the construction of an amenities block, shelter, and cultural performance space. These works are funded under a Create NSW funding program of which the Friends of Myall Creek Memorial Committee are the recipients. The Committee also provided morning tea for elders, corrective services participants, Council staff, and contractors to mark the special occasion.

Unfortunately, due to COVID-19, the 20th Anniversary of the Myall Creek Memorial ceremony did not take place on the long weekend in June 2020, as is customary. Consequently, a virtual ceremony was held online. The organising committee was very grateful that the Mayor recorded a welcome message as part of the virtual ceremony. Australia by indigenous groups and families twenty years ago at the first ceremony.

The virtual ceremony can be viewed at www.youtube.com/watch?v=-JD6qmh6_18#action=share.

Our achievements in Planning and Development

Our achievements in Planning and Development

During the 2019/2020 financial year Council received 37 Development Applications, 4x s4.55 Modifications and 9 Complying Development Certificate Applications with a total value of \$2,747,287.00. The types of development applied for were 6 new dwellings, 19 applications for residential ancillary developments (such as dwelling additions and alterations, garages, carports verandahs, pergolas, patios and swimming pools), 2 commercial applications, 4 rural and 3 urban subdivisions, 5 quarries, 1 feedlot, 1 agricultural building and 5 miscellaneous applications (including public amenities, aged care facilities and telecommunication facilities).

Development Locations:

Locality	No	Locality	No	Locality	No	Locality	No
Barraba	1	Boggabilla	1	Delungra	2	Pallamallawa	1
Bafloors Peak	1	Cobbadah	1	Gravesend	1	Warialda	18
Bingara	15	Copeton	1	North Star	3	Warialda Rail	1

The total number of development applications and complying development certificates approved for the year was 46 as seen in the below table which also includes various other applications and approvals issued under the Environmental Planning and Assessment Act 1979.

	Development Applications	Complying Development Certificates	S4.55 Modification Applications	Subdivision Certificates
Applications Received	37	9	4	4
Applications Refused	0	0	0	0
Applications Withdrawn/Closed	1	1	2	0
Total Applications Approved	31	7	5	2
Applications Approved by Delegation	30	5	5	2
Applications Approved by Council	0	0	0	0
Application Approved by Regional Planning Panel (RPP)	1	0	0	0
Applications Approved by Private Certifier	-	2	-	0

Throughout the 2019/2020 year Council also issued one hundred and sixty one 10.7(2) Certificates (formerly known as 149(2) Certificates), thirty six 10.7(5) Certificates (formerly known as 149(2) Certificates), seventeen Outstanding Notices Certificates under the Environmental Planning and Assessment Act 1979 (formerly known as s735A Certificates) and sixteen s121ZP Certificates (Outstanding Notice under the Local Government Act 1993). In addition, Council replied to fifty-five requests for Drainage Diagrams.

The following planning instruments/policies/plans were developed, implemented, and registered with Department of Planning Environment and Industry, during the 2019/2020 financial year.

- Local Strategic Planning Statement
- Community Participation Plan

Our Achievements in Technical Services

Gravel Re-sheeting

Challenging drought conditions impacted Council’s gravel resheeting works through the first six months of the 2019/2020 financial year. Limited water was available for construction from normal sources such as creeks, rivers, and dams. Where economical, small projects were completed using water from the Warialda and Bingara town supplies, however the majority of resheeting works did not take place until 2020, following long awaited rainfall.



“SR066” – Reserve Creek Rd

In the second half of the 2019/2020 financial year, construction staff completed an extended gravel resheeting program, bolstered by additional Roads to Recovery funding for drought affected Councils.



“SR030” – Caroda Rd

The following table gives the details of gravel resheeting that was completed throughout the Gwydir Shire during the 2019/2020 Financial Year. Council resheeting works were funded largely by the Federal Governments Roads to Recovery Program.

Road Name	Location	Length (km)
Reserve Creek Road	3.0km to 8.0km from Adams Scrub Road	5
Oregon Road	29.4km to 34.4km from Warialda Road	5
Adams Scrub Road	11.7km to 12.9km from Fossickers Way	1.2
Yallaroi Road	16.3km to 20.3km from North Star Road	4
Caroda Road	5.8km to 11.0km from Elcombe Road	5.2
Warragundi Road	0.0km to 6.6km from Langley Road	6.6
Wearnes Road	9.4km to 11.65km from Bundarra Road	2.25
Gragin Road	10.88km to 14.88km from Long Street Warialda	4
Agincourt Road	2.9km to 13.5km from Warialda Road	10.6
Ottley Road	0.0km to 4.0km from Warialda Road	4
Buckie Road	7.6km to 10.7km from Croppa Moree Road	3.1
Forest Creek Road	0.0km to 3.5km from North Star Road	3.5
Mungle Road	3.8km to 5.8km and 6.7km to 7.3km from I B Bore Road	2.6
Nooroo Road	2.7km to 3.75km from Fossickers Way	1.05
Lewis Road (rural road)	0.0km to 1.0km from Fossickers Way	1
Ashton Road	0.0km to 12.44km from Yallaroi Road	12.44

In total, Council resheeted 71.54km of unsealed road.



Above & middle above: "SR013" – Oregon Road.

Right: "SR080" – Ottley Road

Left & above: "SR067" – Agincourt Road

Intensive Maintenance

Crushed rock has been used extensively in the north of the Shire for its excellent performance in wet conditions during normal climatic conditions, however as the fine particles of binding clay in the pavement are lost as dust due to drought in the first half of the financial year, some roads were left with a quantity of loose rock on the wearing surface. To address this, Council continued the practice of intensive maintenance, crushing and re-laying existing pavement. The crushing process produces additional binding fines and reduces overall rock size. Crushed rock is then re-laid with the additional fines incorporated in the new pavement. Result is a renewed road pavement comparable to a newly resheeted road, without the costs associated with carting new material to site.

Regional Road Roadworks

All works carried out by Council on Regional Roads during the 2019/2020, including all maintenance, heavy patching, resealing, rehabilitation, and new works, were funded entirely with grant funds from Transport for New South Wales' Block Grant and REPAIR.

Rehabilitation

North Star Road received 2.16km of full rehabilitation, 44.44km to 46.6km from Warialda Road. The existing formation was first stabilised with a fly ash/lime blend, before a new, 100mm thick base layer was imported, which was then stabilised using the same blend. Works were completed with the application of an 8m wide 20/10 double/double Polymer Modified Binder (PMB) bitumen seal.

"RR7705" – Mt Mitchell Road



1.57km of MR 134 Delungra Road was rehabilitated in the 2019/2020 financial year. The existing base course was incorporated with an imported correction layer and stabilised using Council's road reclaimer with a fly ash and lime additive.



"MR134" – Delungra Rd

Postmans Gully Causeway

Construction staff replaced a causeway with poor coordination of horizontal and vertical alignment with a pipe culvert structure in 2019/2020. The causeway, located near Postmans Gully on North Star Road, became impassable during heavy rainfall several times per year and was replaced with a culvert structure designed to contain a 1 in 20-year rainfall event.



Postmans

State Roads (TfNSW)

Within our Shire, we maintain and undertake ordered works on two state roads, these being MR063 Fossickers Way and SH012 Gwydir Highway. For these particular works, Council is bound by the Roads Maintenance Council Contract (RMCC) with Transport for New South Wales (TfNSW). All Work Orders issued by TfNSW are a quality assurance schedule of rates projects carried out by Council staff under the RMCC.

During the 2019/2020 financial year, Council staff undertook general maintenance activities throughout the year such as drainage/culvert maintenance, guardrail repairs, vegetation control (weed spraying, slashing, sucker bashing etc.), rest area servicing, fortnightly routine inspections, sign replacement and maintenance, and bitumen repairs (potholes, edge breaks etc.). Ordered works this Financial Year included heavy patching works, reseal preparation, a rehabilitation project on MR063 Fossickers Way and survey and design for three rehabilitation projects next financial year.

Heavy patching works undertaken on our State roads involves a stringent process that is pre-approved by the TfNSW before works commence to conform to their specifications. The patch

extents are marked out and a stabilising additive (75:25 cement/flyash blend) is spread at a rate of 2.5% over the patch. Council's Asphalt Zipper or Reclaimer is then used to mill and incorporate the existing soil with the additive, adding moisture and then re-compacting to form a new pavement. Once compacted, the patch is sealed with a double coat 7mm emulsion seal using Council's Jetpatcher and the line marking is reinstated where required by TfNSW crews. This year saw 2,785m² of heavy patching completed on MR063 Fossickers Way and 2,595m² on SH012 Gwydir Highway.

During the final quarter of this financial year TfNSW provided funding for the rehabilitation of pavement and drainage within segment 5340 on MR063 Fossickers Way, 17km north of Bingara. The project involved extending culverts, including the complete replacement of one culvert, then excavating out the existing shoulders 300mm deep and replacing the material with a roadbase material to allow for the widening of the pavement. The remaining existing pavement was then ripped 150mm deep and recompact to 200mm below design level. A 100mm sub-base layer of roadbase material was then added and compacted, followed by another 100mm base layer. Each pavement layer was tested for material density and compaction prior to laying the following course to ensure that it conforms to TfNSW specifications. A cutback bitumen primer seal with 7mm stone was then placed by Fulton Hogan to provide a wearing surface and line marking was undertaken by TfNSW crews. Table drains and mitre drains were then re-established, and the work site area was re-vegetated.



“MR63 widening” –
Widening the shoulder of segment 5340
on MR063 Fossickers Way.



“MR63 wearing surface” –
Placing the wearing surface of segment
on MR063 Fossickers Way.

Further to this, TfNSW also provided funding for the installation of new guardrail and end terminals to align with works completed on the Warialda HPV Route intersection and additional funding for Maitland Street asphaltting in Bingara that saw the Cunningham Street intersection drains lifted and the old asphalt removed and replaced to reduce noise and improve rideability. No bitumen resurfacing works took place this year and reseal preparation saw various segments on MR063 Fossickers Way crack sealed. Survey and design projects included segments 5150 and 5255 on MR063 Fossickers Way and segment 8270 on SH012 Gwydir Highway.

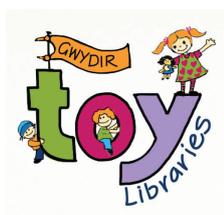
Stormwater

Council levied a Stormwater Management Service Charge (SWSC) of \$25 per residential property, \$12.50 for residential strata lots, and \$25 per 350sq.m for business properties capped at a maximum charge of \$1,000. The total received funds in the 2019/2020 financial year was \$39,375. Council's stormwater works program for the financial year included routine repairs, cleaning of gross pollutant traps and removal of debris from grates and inlets.

Our Achievements in Social Services

- 10 to 25 children daily Play sessions
- 247 Children at Vacation Care
- 33 Bingara Baby Support Group sessions provided
- 545 Children participated in Playgroups
- 197 Play sessions held at Toy Libraries across the Shire
- 204 Children visited the Toy Libraries each month
- 94 Children participated in Children's Week celebrations
- 18 Commemorative GSC Birth Certificates Issued
- 519 children accessing Kool Skool Kids Program
- Conducted Monthly Education Workshops
- 1210kms travelled each week Tharawonga
- 287 Drought Relief Applications submitted
- 19 young people participated Willoughby Youth Exchange

Gwydir Toy Libraries



During 2019/2020 the Toy Library sessions were held on each Monday, Tuesday, Thursday, and Friday between 10am and 12noon in Warialda and on Monday, Tuesday, Wednesday mornings in Bingara. Each play session provided families with the opportunity to gather in a safe environment, exposing their children to enriched educational play-based experiences.

Toy library sessions emphasise numeracy, literacy and story times, music and movement, cooking, social/dramatic play, and science exploration during each calendar month.

Play sessions during 2019/2020 worked towards also promoting opportunities for families to gain information and or referral to specialist care for their children as required. Referrals included speech pathology, audiometry testing, family support services, dietetics, dental care, child and family health nurse services, parenting support services, and early intervention support services.

While providing educational play experiences for children, facilitating the emergent development of children is paramount to the service offerings. Aiding the opportunity for families to network is crucial in promoting mental health and ensuring the facilitation of family support services, as necessary.

Information Mornings

Guest speakers were welcome to attend Toy Library sessions during 2019/2020, offering expertise in the area of their profession. This ensured families were informed with accurate and current information to assist them in their children's' care and development. During this year, once each month, families were provided with the opportunity to utilise the Toy Library play sessions, to access immunisation services and blue book health checks, with the local Child and Family Health Nurse being made available for such services. Families were also kept informed by special guest speakers on topics including diet and nutrition, speech, Department of Education and Training - hearing/ear health and otitis media, dental health and hygiene, NSW Ambulance, Preschool and kindergarten transition to school.

Complementing special guest speakers, each week Toy Libraries offer differing educational handouts for families. These handouts create discussion and reinforce information provided to families during session times. This year, families engaged in sessions providing information on more than forty specific subject areas; this was in conjunction with the daily programmed activities set each day. Some of the subjects discussed and information provided for included: children and parents mental health; PANDA and family help and support help lines; breastfeeding and antenatal care; various childhood development information; screen time guidelines; baby massage; farm, pool/ dam, driveway/child restraint and car safety; baby wearing; family finance management; behaviour and discipline; toilet training; sleep; introduction to solids and baby lead weaning; contraception and women's health; managing the anxious child; separation anxiety; munch and move; bottles/ fluids and dental care; effective and encouraging positive parenting; what is play and the parent's role?; enhancing play environments at home; improving parent and child communication/ relationships; literacy and numeracy birth to six years; childhood developmental areas; and facilitating these areas through play.

Birth Certificate Applications/ Ceremonies

Expectant parents or parents/carer residing in the Gwydir Shire with a child born on or after March 17, 2004, (the date in which the Gwydir Shire was formed) are eligible to receive a birth certificate. Applications are issued upon request by Erin Hall, Supported Playgroup Development Worker, Tania Brennan, Bingara Toy Library Coordinator, or handed out by Debbie Armstrong during the initial Child and Family Health Nurse visit. Presentation ceremonies are then organised as required, and an invitation extended to either the Mayor or a Councillor to present the certificates to families. Families are provided with a gold certificate and a parent pack including a six-month Toy Library membership voucher. A light morning tea and play session follows the presentation.

Application recordings for 2020
Warialda 7 Bingara 11

Special celebrations- Children's and Families Week celebrations and festive events

Mothers Day and Fathers Day, Grandparents Day, Easter and Christmas are valued and celebrated with craft and often morning tea celebrations with respective special visitors/ guests celebrated by the delivery of an invitation to join the morning activities. The Toy Library ensures Santa Claus visits each Christmas, and this year was no exception, with this session being yet another successful festive celebration for all families attending.

Children's and Families Week

This year, Children's Week celebrations were again held with invitations extended to all families within the Shire to participate. Children's Week is a national celebration of children's rights, talents, and citizenship. Formally invited to this event in Warialda was the local Preschool, Tharawonga Mobile Preschool, Playgroup/Toy library members and the local Child and Family Health Nurse. In Bingara, the Preschool joined the Toy library and Playgroup families, for an interactive session with the local Rural Fire Service.

Families Week promotes the diversity of Australian families. This year due to COVID-19, Families Week was unable to be celebrated as a group setting as it traditionally is each year, however, families were provided with activities to do from home promoting this celebratory week.

Playgroups

Playgroup sessions continued to be held on Mondays for Warialda, Wednesdays for Gravesend and Thursday mornings for Bingara families. A total of 545 points of contact were made by children across the shire during the 2019/2020 financial year. In 2020/2021 such sessions will be integrated into toy library sessions ensuring all families equality in service offerings and delivery.

Future projections

Moving forward, both Warialda and Bingara Toy Libraries are committed to continuing to provide an inclusive and stimulating play-based program for the families of Gwydir Shire. In order to ensure and increase memberships where possible, it is recognised that the ability to identify families in need of services is crucial, then facilitating the introduction to Toy Library services by way of family outreach and personalised invitation will be assured for 2020/2021.



Kool Skool Kids Program

The program continued this year on Tuesday and Thursday afternoons with great success and due to demand for care from working families, Monday afternoon is now available for up to 15 children. 519 points of contact were made with the service this financial year even though the service was forced to close for an extended period due to the COVID-19 restrictions.

This year the children were given the opportunity to learn how to spin wool from a guest grandparent which tested skills and patience as it was much harder than it looked. Interactive afternoons of science, cooking and general fun with the public library book club children was a collaboration of the two services that was enjoyed by all. Special occasions and celebrations included Children's Week, Mothers Day, Fathers Day, Easter and Christmas with craft and cooking as a feature to



present to parents as an indication of the children's skills and abilities. Some of these events were celebrated differently this year and packs were made available for children to complete at home with their families during the COVID-19 lock down period.

The Rural Outreach Service presented the "Shark Cage" workshop in the July school holidays. The program is designed to help children learn about who they are, what their rights are, who protects them and how to manage the difficult people in their lives. The children gained precious knowledge and were provided with morning tea and lunch as a special holiday event.

Each afternoon the children had access to games, Lego, craft and play in the toy room with all the toys but often the Kindergarten to Year 6 children are happy to simply read a book on the couch. Homework help is available to those who need it but the Kool Skool Kids Program simply provides fun activities and a space for learning for our children three afternoons per week to assist working families.

Be Connected

Be Connected was able to provide a total of 67 lessons in the last 12-month period. Our older members of the community benefited by learning new digital skills on their own devices. Some of the skills learnt have helped learners keep in touch with friends by email, finding out about family history and learning to use a new device. This service is now offered at multiple locations in Bingara and Warialda so the Toy Library location will no longer be available in the new year.

Bingara Preschool



Bingara Preschool has enjoyed a very successful and consistent year. The team of educators has implemented a collaborative play-based program, led by the children. All educators now hold a minimum Diploma qualification, or they are actively working towards one. Bingara Preschool has also welcomed another qualified Early Childhood Teacher to the team of educators.

Educational Program

Over the last 12 months, Bingara Preschool has extended and improved the current curriculum. With the focus being on collaboration, the team of educators has worked closely with the families and children to implement a more child focused program. Each child has a clear set of goals developed, and the educators work together with the children and their families to encourage and support the children to reach these. The team of educators also focuses on extending the children's social skills, with a variety of small and large group activities being facilitated during the day.

Transition to School Program

From July to December 2019, Bingara Preschool collaboratively implemented with Bingara Central School, the 'Transition to School Program' for the children who commenced formal schooling in 2020. Each Friday, the educators took the children who were starting school the next year on a weekly excursion to Bingara Central School. The children spent an allocated session each Friday with Miss Schmidt (current Kindergarten teacher), learning and preparing for their transition to formal schooling in 2020.

It was planned that transition to school visits would recommence in Term 2, 2020 for the children who would attend formal schooling in 2021. Unfortunately, due to the COVID-19 pandemic these plans were placed on hold. As the Department of Education still had a no visitor policy in place at the start of Term 2, Bingara Preschool invited Miss Schmidt to start the transition program at the service instead. Every Friday from 10am-11am, Ms Schmidt visits Bingara Preschool and teaches the transition lesson to the children who are enrolled to start formal schooling in 2021. Miss Schmidt has taught the children the 5L's of learning and the rules at 'Big School'.

Compliance Visit

In August 2019, Bingara Preschool underwent a compulsory Compliance visit. The Compliance Officer verified compulsory documentation including staff files, staff qualifications, risk management plans and risk assessments for potential emergencies.



Excursions and Events

Bingara Preschool has continued to build, strong positive relationships with the community and surrounds. Over the past year the children have attended the following excursions and events: The Infants Frolic (2019), The Orange Picking Ceremony (2019), Tourandi Lodge (the local aged care facility), Infants Sports Day (at Bingara Central School), the Toy Library for Children's Week Celebrations and the opening of the new Library (2020). Due to COVID-19, Bingara Preschool was unable to attend any excursions from March-June 2020. The educators became inventive and took the children on 'virtual excursions. The children virtually explored Taronga Zoo and Australia Zoo.

Bingara Preschool performed at the following community events during the year: The first was the Orange Festival, where the children all dressed up in their 60s outfits and danced along to the song 'Let's Twist'. The children, family, and educators also proudly marched in the annual 'Orange Festival Parade'. The children danced at the Infant's Frolic where they performed the crowd pleaser: 'Tooty Ta'. The last community performance for the year was at the annual 'Community Christmas Festival'. The children all made their own Christmas Trees (which they wore) and sang and danced to 'I'm the Happiest Christmas Tree' and 'Jingle Bells'.

The end of year presentation for Bingara Preschool was changed to a Monday evening, 9th December 2020. It was held at the Roxy Theatre and received lots of positive feedback from families and the community. This was due to the Roxy being able to facilitate more people attending, it is air-conditioned and has a stage for the children to perform. The service provided a free sausage sizzle for all children and their families.

Visitors

Bingara Preschool has welcomed many visitors to the service during the last year. These included Josh who is the Indigenous Officer for Inverell and District Family Services. Josh visited Bingara Preschool and told the children a Dreamtime story about a Kookaburra and an Emu. He also played the Didgeridoo and painted the children's faces, with the help of Dani (playgroup facilitator at IDFS).



Bingara Preschool also welcomed Gail from the Town Library. Gail visited the service a number of times, reading the children their favourite stories. Gail also incorporated Bingara Preschool into two of the local Library initiatives, including: 'The Street Library' and 'The Great Gwydir Book Hunt'.

Other visitors to Bingara Preschool included: Karen Bishton (Yoga Instructor) who facilitated a tailored Yoga lesson for the children, Kerriane (local story teller) who read stories to the children, Bronwyn Sargeant (Director at Tharawonga) brought in her baby chickens for the children to pat, Debbie Armstrong (Community Health Nurse) came and spoke to the children about the importance of healthy eating and Kelly (Early Education Literacy Officer) who facilitated a literacy lesson for the children. Bingara Preschool also welcomed Cleanaway who delivered a session to the children about the importance of recycling.



COVID-19

Due to the COVID-19 pandemic, Bingara Preschool had to alter the delivery of their program and curriculum. During the enforced lockdown, the service provided essential face to face learning to the children of essential workers. During this time, the Bingara Preschool educators also worked endlessly to provide a comprehensive distance program to all other children who are actively enrolled at the service. Each child received a weekly activity pack that was filled with a variety of resources and activities.

Bingara Preschool's social media page was also used by the educators to keep in touch with all current children and their families during the lock down. From March until present, Bingara Preschool has implemented and maintained procedures to increase infection control. These include temperature testing, social distancing (between adults), ensuring all hands are sanitised on arrival, frequent handwashing and cleaning of surfaces. Bingara Preschool's efforts during the pandemic have been acknowledged by Adam Marshall MP in Parliament, by addressing the educators work in delivering both a comprehensive distance and face to face program, so all children were able to access Preschool education.

We are looking forward to another fun filled year at Bingara Preschool.



Tharawonga Mobile Resource Unit



Tharawonga has seen many changes this year and has risen to the task of providing and administering a long day-care service. The decline in numbers at Tulloona has seen this venue go into recession and North Star has gained an extra day of care. Our remote towns and villages have had a difficult time with drought but seem to be slowly recovering and

we hope to see more children attending the service as the weather becomes more favourable. Staff have received training in first aid and child protection over the last year, the team of educators has worked hard to continue to provide a quality service during these difficult times and Tharawonga has also welcomed another qualified Early Childhood Teacher to the team of educators.



Educational Program

During this year children have been encouraged towards independence by making them responsible for their own belongings and behaviour. Educators have been teaching children life skills and setting obtainable goals for each child to improve confidence. School readiness and independence are strongly encouraged for all ages with skills such as making their own beds at rest time, putting their lunch boxes and drink bottles in the fridge and personal name recognition, shape, and colour recognition.

Transition to School Program

Tharawonga works closely with all our remote schools to ensure that the transition to school is as seamless as possible. This was carried out well in the fourth term of 2019, however, due to COVID-19 restrictions on visitors to schools it has been difficult to continue this program. The Service is working hard to ensure that all children are provided with the skills they will need to attend formal schooling in 2021 and Tharawonga continues to work closely with our associated school districts. Sixteen children are transitioning to school in 2021.



Compliance Visit

Tharawonga was visited by the Department of Education to assist in the transition to an 'In Scope Service'. The feedback was very positive, and tips and hints were provided to ensure that Tharawonga will meet the National Quality Standards for education and care services. As a result of this visit Tharawonga received a substantial amount of capital funding to assist in the provision of adequate fencing at the North Star and Gravesend venues.

Excursions and Events

Immunisations were updated by the Hunter New England Area Health Nurse, Debbie Armstrong, who visited every venue to keep our communities healthy. All families were invited to receive a free flu vaccination.

Statewide Eyesight Preschooler Screening (StEPS) visited and tested Tharawonga children who are transitioning to school. In May, National Simultaneous Storytime invited children to participate in reading Whitney and Britney Chicken Divas. The children love this event and each child received a special certificate. An extension of this event was the making of a wall collage for the North Star Venue in which all children contributed.

The public Librarian visited the service to read stories and provide craft activities for the children on several occasions throughout the year. It is always fun to have visitors to the service to offer a fresh perspective on learning. Each venue held its own presentation and graduation day at the end of 2019. This made the events more focused and more families were able to attend.

COVID-19

The COVID-19 pandemic saw many changes to our service, especially during the lock down period. Tharawonga continued to provide an on-line service to all the children and provided educational packs for all families. The service used social media to stay connected to all our families where possible and ensured that an educational program was delivered.

Tharawonga has implemented and maintained the following procedures to increase infection control: temperature testing, social distancing (between adults), ensuring all hands are sanitised on arrival, frequent handwashing, and regular cleaning of surfaces.



Vacation Care

Vacation Care was held during the July, October, and January school holidays. Due to COVID-19 restrictions, Vacation Care did not run through the April school holidays. The program covers several key developmental areas for children, including gross motor development, creative skills, social development and fine motor skills.

Vacation Care was held at Bingara Preschool during July holidays, Warialda Sport and Recreation ground during September/October 2019 holidays and at Warialda Town Hall in January 2020 holidays. The Warialda Town Hall was fantastic for the summertime program with the new air conditioning.

Some of the day's activities included sand craft, beading, team quiz challenges, pie face, charades, blindfold activity, cooking, key hunt, apple bobbing, dancing competitions, lineman, stuck in the mud, wink murder, shipwrecked and movie afternoons.

The September program focused on being active with the main activities being gross motor skill based. With use of the outside Oval it was great to be able to get the children moving in a safe and larger environment.

Bingara Vacation Care	Warialda Vacation Care
18 Families	22 Families
25 Children	33 Children
20 Girls	13 Girls
5 Boys	20 Boys
103 Points of Contact	144 Points of Contact

Youth Services

During 2019/2020 the Gwydir Shire Youth Officer has been working with the schools and assisting young people who have been having trouble with school and out of school. Services accessed outside of Gwydir Shire included Pathfinders in Inverell assisting in gaining tenancy and support for young people in our Shire, EACH in Moree provides a range of health, disability, counselling, and mental health services.

A Salvation Army case worker has been assisting clients on a fortnightly basis. This service was put on hold due to COVID-19 in April but has been an extremely valuable service in teaching financial literacy and life skills to our young people.

Youth Exchange

The Gwydir exchange of the Willoughby/Gwydir Youth Exchange program commenced on Thursday 4 July 2019. There were 10 participants from Gwydir and nine from Willoughby.

The students met on Thursday at the Roxy Café for the welcome dinner with Gwydir Shire Council's

Mayor, Councillors, and senior staff. They had a quick trip around parts of the Shire on Friday morning before attending the Orange Picking event and then a trail ride along the Gwydir River. The group attended a movie at The Roxy Theatre on Friday night and participated in the Orange Festival on Saturday. Here they received Certificates of Participation from the Mayor, John Coulton. The Exchange participants stayed at The Living Classroom and Willoughby student's country trip concluded with the usual bonfire at Peter and Brenda Pankhurst's.

The diversity of the group of young people was widely ranged. It was so nice to see the friendships forming and how well they all came together over a short period of time.

The Gwydir students were great hosts showing the Willoughby participants what country life is really like and they were keen to head to Sydney in September to experience the city way of life.

The ten (10) young people from Gwydir Shire were, Karys Smith, Andrew McGarrity, Will Johnson, Jackie Woodward, Courtney Barwick, Jade Baker, Lucy Doney-Tonks, Byron La Fontaine, Brock Byers and Cassidy Hobday.

On Thursday, 5 September 2019, the Gwydir participants travelled to Sydney for the second part of the Gwydir/Willoughby Exchange Program.

For some, it was the first time they had been on a train and the trip down was an exciting start to their weekend. Upon arrival at Chatswood they met up with the Willoughby participants before heading to their accommodation and a welcome dinner at the Lane Cove Holiday Park. Their camaraderie picked up from where they left off in Gwydir, with friendships still strong.

On Friday, the group travelled into Darling Harbour where they explored Paddys Markets and the park at Darling Harbour, then a ferry trip from Darling Harbour to Circular Quay before walking through the Botanical Gardens. Friday night Gwydir participants were accompanied by Deputy Mayor Catherine Egan on what was to be a 3½ hour Sydney Harbour Bridge Climb. Unfortunately, due to extremely windy conditions, the Bridge Climb had to be cancelled before they reached the top. While disappointed, the group was fortunate to get onto the bridge and see some of the night lights but once the wind speed reached 112kms per hour they had to turn around and head back.

Saturday was the annual Willoughby City Council Emerge Festival and the group took part in the parade and then had some free time to explore the Festival and Chatswood. Saturday afternoon the young people headed to Sydney Olympic Park for the final round of the NRL game between Canterbury Bulldogs and Brisbane Broncos. Gwydir participants really enjoyed the atmosphere at a live game and were lucky enough to meet and get signatures and pictures with some of the Bulldogs players.



On Sunday they enjoyed a bushwalk through Explosive Reserve at Castle Cove before heading to Manly Beach for a surf lesson. After saying goodbye to the Willoughby young people and supervisors, the Gwydir group headed to Nando's for dinner.

The Gwydir representatives were keen to head home Monday, leaving the city behind and getting back to the wide-open spaces.



Youth Council

Young people from Bingara Central School and Warialda High school have combined to form the 2020 Gwydir Shire Youth Council. Erica Dixon, Brooke McKinnon, Isabelle Butler, Petah Butler, Savannah Hughes, Louisa Gilmour, Hunter Brown, Hannah Tooley, Nathan Tooley, Mihail Stamenkovic, and Will Johnson are the 2019 Gwydir Shire Youth Council. The event that was planned to celebrate National Youth Week in April has been postponed until later in the year due to COVID-19 restrictions. Members have planned an event called The Amazing Gwydir Youth Challenge. Activities have been planned for a rotation schedule, followed by finals.



“Unleash the Future” Youth Council Conference

Four representatives from the Gwydir Shire Youth Council - Louisa Gilmour, Hannah Tooley, Erica Dixon and Brooke McKinnon - travelled to Blacktown Sydney to attend the 2019 Unleash The Future Youth Council Conference. It was held over 3 days and gave the young people the chance to meet, share ideas and learn how to both make themselves a better leader and our Youth Council better. It has inspired our young people with fresh ideas, and they are keen to build on the involvement for the Gwydir Shire Youth Council. Below is the report written by the young people who attended:

Friday, 13th September

As we waited in the foyer to enter the main conference room we were greeted by members from other committees from over NSW. Everyone was very welcoming, and it was a great introduction to the multicultural and diverse group.

We were welcomed by an Aboriginal Elder, Uncle Wes, and were able to explore the Darug culture. The Jannawi Clan Dancers performed before we were inspired by Mayor Stephen Bali MP as he talked about the growing population of Blacktown and their future goals for the city and area.

Sherice Jackson, Co-CEO of AIME was the first keynote speaker; Sherice was very inspirational and everyone in the room was touched on a personal level as she shared her past, covering key chapters including her disadvantaged upbringing.

We then moved onto mini workshops; Brooke and Louisa attended the spark, fuel, accelerate - youth led projects, which involved the communication between a diverse range of teams working on ways to connect the youth and highlight the common cultures used in today's society such as media.

Erica and Hannah partook in a youth participation and empowerment session that allowed them to learn about what is needed to create a strong functioning youth committee. After that they proceeded to an event management workshop which taught us do's and don'ts of running an event.

We worked together in the Ambassador's Room (a large area perfect for our daily plenaries) to collaborate ideas on our perspectives of the conference. The groups chose a few of the main ideas and then wrote lyrics for Song Division to use.

The flavours food festival was used to connect and create lifelong friends with likeminded people of our age. We visited the 'Amplify' exhibition and then watched MC JT, Adela, Zakky Lanes and D Minor perform.



Saturday, 14th September

We started off the day with D Minor (who is a semi-finalist on this year's Australia's Got Talent) as the first keynote speaker. He spoke about his journey from being homeless

at 11 and how music saved him and now he is 25 performing across Australia. D Minor has also represented Australia at the 19th Annual World Championships of Performing Arts (WCOPA) held in California, beating 40 other nations. He won Gold for Australia. His main message was to find the outlet that you are passionate about whether it be music, fitness, health as this will give you drive and determination and will help you focus more on the future then getting caught up in your battles.

Climate Change, social change, equity and equality, gender and cultural diversity, cultural change, youth and family violence and mental health were all topics addressed by groups at the conference. Erica and Louisa participated in the 4-hour climate change session which allowed them to learn what other councils are aiming for in their fight against climate change. However, the mentors did not apply the topic to rural communities as other participants were based in city/ outer suburban areas. They then broke off into pairs and pitched the idea of climate change prevention in rural and remote areas with specific emphasis placed on drought. Brooke and Hannah chose to take part in the youth and family violence session as they thought it was a prominent issue in our communities.

They curated the idea of creating a community hub in both Bingara and Warialda. This would allow men, women, and youth to come together in one place with the opportunities to develop skills and knowledge around the concerns of youth and family violence. This community hub would be a safe environment for perpetrators and victims to gain the support they need to improve their future. Unfortunately, due to an over packed schedule, the events planned for the day went over time meaning our afternoon activity started later than expected. Raging Waters, Sydney opened exclusively for the Unleash the Future conference participants, and we had free range of most of the park. It was a great experience and the perfect way to relax after a busy day.

Sunday, 15th September

We all participated in AIME workshops in groups, coming together with Indigenous culture, other youth advocates and enthusiastic mentors. We all agreed that our favourite workshop was the yarn

circle which allowed us to share stories about inspirational people in our lives. Sherice Jackson (Co-CEO of AIME) was the coordinator of this activity and encouraged us to open to our group and appreciate the influential people in our lives.

At 11 am we then moved to the ambassadors room where a guest panel which included The Hon Gareth Ward MP, Minister for Families, Communities and Disability Services; the Hon Penny Sharpe MLC, Shadow Minister for Family and Community Services and Shadow Minister for Disability Inclusion; Senator Mehreen Faruqi, Senator for NSW spoke on key questions presented by student representatives. Topics covered included climate change, social change and justice, and homelessness. A question was put forward regarding the current drought in NSW. Unfortunately, the panel disregarded rural communities and focused on how it was affecting Western Sydney and the city's economy. We were disappointed because as soon as the opportunity arose for them to comment on their actions to combat and assist drought affected areas, specifically rural and remote areas, it was pushed to the side and disregarded. Unfortunately, we didn't have the chance to personally comment on the issue, meaning our queries and opinions were left unheard. Other than that, it was good to see how a formal panel interview is conducted.

The 2021 Youth Council Conference will be held in Tumut, in the Snowy Valleys. This was decided by a survey which was completed by all participants.

The closing speaker at the conference was Akano (Ade) Amuda. He was amazing and touched our hearts and opened our minds as he delivered a highly emotive presentation. He spoke about his life journey and the struggles he has faced. He is now a motivation speaker for the youth and travels Australia and the world delivering his message. His mantra 'If you can conceive, and you can believe, you can achieve' was admired by all in the room, inspiring us to be the best version of our selves we can and showing us that we are not limited by what has happened in our past.

By having the opportunity to participate in the NSW Youth Council Conference 2019, Unleash the Future MMXIX, has inspired us to return to the Gwydir Shire with fresh and exciting new ideas and the motivation to pursue them. These ideas will be implemented to better the youth of the Gwydir Shire.

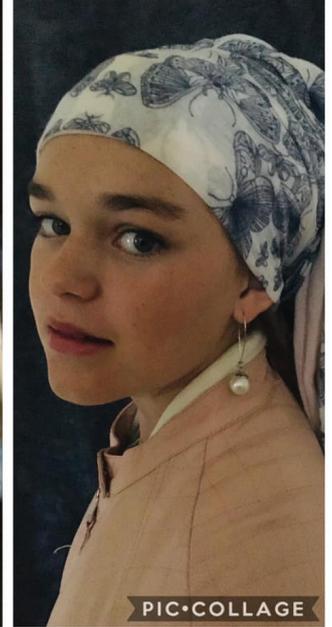




"Catch the Easter Bunny" winner - Jimara Fernando



"Recreate a Famous Painting" Winner - Blaire Johnson



"Disney dinner party" winner – Harriett Webber



Above: "Capturing the essence of the task in the most creative way" winner – Zoe Allen



Left: "Anzac Day – how we will remember them" winner – Cherylalee Wilson

Youth Council – Movie Night

On Thursday 5 December 2019, The Gwydir Youth Council held a movie night at the Warialda Town Hall. The Youth Council planned this event as a fundraiser for upcoming events next year. This was planned as a community event as representatives from the Youth Council wanted to target the whole community, not just the youth. The night was well attended with 131 people present. Meal deals were available for purchase on the night. Warialda IGA donated prize packs for the night and winners were drawn out at the start of the movie and at the end. It was a fantastic night and the Youth Council are very proud of what they accomplished. They did a fantastic job preparing and running the event.

Youth Council – Photo Competition

Throughout the April Holidays “My Life Through A Lens” challenge took place. It was open for all ages. The aim of the challenge was to give everyone something fun to do during these trying times. It was an open-ended activity which could be done solely or by getting the whole family involved. While here were 40 participants in the challenge, there were 70 members of the group who were viewing the photos. Comments on the photos kept people communicating through the stay at home restrictions and shared an insight to what everyone was up to during the break.

There were four competition categories over the 17-day challenge. Judging of these took place at the completion of the competition. The categories and winners for those where:

“Catch the Easter Bunny in action – winner Jimara Fernando

“Recreate a famous painting” – winner Blaire Johnson

“Disney Dinner Party” – winner Harriett Webber

“Anzac Day, how we will remember them” – Cherylalee Brooks

And the judges decided to add a prize for a photo that captured the essence of the task in the most creative way. It was won by Zoe Allen for her “Upside down” photo.

Overall, it was a great success and so much positive feedback has been received. Another photographic competition is planned for later in the year.

Bingara Neighbourhood Centre

Bingara Neighbourhood Centre continued to focus on drought relief applications with a significant number of farming families registering and receiving assistance from organisations dedicated to drought relief. Grant funding was secured to hold an event for all Shire residents which would have seen two performances of the “Sapphires” stage production at the Roxy Theatre. It was planned to provide complimentary dinner and drinks as well as prizes and giveaways for all who attended to help support our local businesses. The event would have been a much-needed relief for everyone. Unfortunately, due to COVID-19 restrictions, this event did not take place, but the funds will go towards supporting a suitable event in the future.

Assistance with community organisation grant applications was also a focus for the Neighbourhood Centre with many successful outcomes. Over \$500,000.00 in grant funding was secured for groups across the Shire. Assistance with police matters and court support have also been carried out throughout the financial year.

Our Achievements in Aged Care

Naroo



Aged Care Annual Report 2019/2020

The refurbishment of the Naroo Kitchen under the Commonwealth Government's Aged Care Regional Rural and Remote Infrastructure Program commenced in June 2020. There was a delay in the commencement of this project due to the COVID-19 pandemic. The project will be completed in August 2020 and the new kitchen up and running. The Aged Care Manager's Office has been relocated to the activities room and there are plans in place to possibly build a Queenslander style room off the Dementia wing for the residents to utilise. This room will allow integration of residents suffering from Dementia with other Naroo residents allowing them to enjoy activities together.



Naroo Dementia Friendly Committee (NDFC)

The concept of the NDFC is to create awareness and education that supports Dementia Friendly Communities with the aim to support people with dementia to remain included, accepted and connected within our community. The Alliance has been established and was meeting regularly to support, discuss, provide advice, and promote the initiative of being Dementia friendly in the local community. Unfortunately, due to COVID-19 restrictions, meetings were postponed but we are hoping to recommence these meetings before the end of 2020.

Bench Marking Stewart Brown Survey

Naroo Management has engaged Stewart Brown to collect financial and supporting data to help evaluate and prioritise improvement opportunities at the facility. The survey is the largest benchmark within the Aged Care Sector. The Aged Care Financial Performance Survey will result in valuable data that encourages discussion and creates new ideas and best practices.

Quality Indicators

Naroo registered to be a part of the Quality Indicators (QI's) pilot relating to both new and existing domains - medication management, falls and fractures, unplanned weight loss, use of physical restraint and pressure injury. Participation in this pilot is an opportunity for Naroo and Gwydir Shire Council to trial and provide feedback of the indicators prior to the implementation from 1st July 2021. Aged Care Manager (ACM) attended the webinar on 27th February and has officially registered to be included in this pilot. Results of Pilot 1 and Pilot 2 are tabled on the following page:

NAROO Quality Indicator Cycle 1 Report			
QI Domain	QI Reporting Data	Your score	National Average
Pressure Injuries	Percentage of care recipients with one or more pressure injuries	24.24%	6.41%
	Percentage of care recipients with Stage 1 Pressure Injury	9.09%	3.47%
	Percentage of care recipients with Stage 2 Pressure Injury	15.15%	2.28%
	Percentage of care recipients with Stage 3 Pressure Injury	3.03%	0.46%
	Percentage of care recipients with Stage 4 Pressure Injury	3.03%	0.21%
	Percentage of care recipients with Unstageable Pressure Injury	0%	0.14%
	Percentage of care recipients with Suspected Deep-Tissue Injury	0%	0.23%
	Percentage of care recipients who acquired one or more pressure injuries outside of the service in the past 3 months	9.09%	1.06%
	Percentage of care recipients who acquired Stage 1 Pressure Injuries outside of the service in the past 3 months	3.03%	0.44%
	Percentage of care recipients who acquired Stage 2 Pressure Injuries outside of the service in the past 3 months	6.06%	0.42%
	Percentage of care recipients who acquired Stage 3 Pressure Injuries outside of the service in the past 3 months	0%	0.09%
	Percentage of care recipients who acquired Stage 4 Pressure Injuries outside of the service in the past 3 months	3.03%	0.16%
	Percentage of care recipients who acquired Unstageable Pressure Injuries outside of the service in the past 3 months	0%	0.05%
	Percentage of care recipients who acquired Suspected Deep-Tissue Injury outside of the service in the past 3 months	0%	0.02%
Use of Physical Restraint	Percentage of care recipients who were physically restrained	22.22%	29.95%
	Percentage of care recipients who were physically restrained only by the use of a secure area	16.67%	19.12%
Unplanned Weight Loss	Percentage of care recipients who experienced significant unplanned weight loss (5% or more)	2.86%	3.55%
	Percentage of care recipients who experienced consecutive unplanned weight loss	34.29%	6.91%
Falls and Fractures	Percentage of care recipients who experienced one or more falls	8.57%	27.97%
	Percentage of care recipients who experienced one or more falls resulting in major injury	0%	2.04%
Medication Management	Percentage of care recipients who were prescribed nine or more medications	36.11%	44.71%
	Percentage of care recipients who received an antipsychotic medication	30.56%	21.12%
	Percentage of care recipients who received an antipsychotic medication for a diagnosed condition of psychosis	16.67%	13.78%

Naroo Quality Indicator Cycle 2 Report			
QI Domain	QI Reporting Data	Your score	National Average
Pressure Injuries	Percentage of care recipients with one or more pressure injuries	12.12%	4.90%
	Percentage of care recipients with Stage 1 Pressure Injury	0%	2.59%
	Percentage of care recipients with Stage 2 Pressure Injury	6.06%	1.96%
	Percentage of care recipients with Stage 3 Pressure Injury	6.06%	0.42%
	Percentage of care recipients with Stage 4 Pressure Injury	0%	0.20%
	Percentage of care recipients with Unstageable Pressure Injury	0%	0.12%
	Percentage of care recipients with Suspected Deep-Tissue Injury	0%	0.19%
	Percentage of care recipients who acquired one or more pressure injuries outside of the service in the past 3 months	6.06%	0.73%
	Percentage of care recipients who acquired Stage 1 Pressure Injuries outside of the service in the past 3 months	6.06%	0.37%
	Percentage of care recipients who acquired Stage 2 Pressure Injuries outside of the service in the past 3 months	3.03%	0.24%
	Percentage of care recipients who acquired Stage 3 Pressure Injuries outside of the service in the past 3 months	0%	0.07%
	Percentage of care recipients who acquired Stage 4 Pressure Injuries outside of the service in the past 3 months	0%	0.07%
	Percentage of care recipients who acquired Unstageable Pressure Injuries outside of the service in the past 3 months	0%	0.02%
	Percentage of care recipients who acquired Suspected Deep-Tissue Injury outside of the service in the past 3 months	0%	0.02%
Use of Physical Restraint	Percentage of care recipients who were physically restrained	22.22%	27.46%
	Percentage of care recipients who were physically restrained only by the use of a secure area	16.67%	17.78%
Unplanned Weight Loss	Percentage of care recipients who experienced significant unplanned weight loss (5% or more)	3.03%	2.31%
	Percentage of care recipients who experienced consecutive unplanned weight loss	3.03%	5.61%
Falls and Fractures	Percentage of care recipients who experienced one or more falls	16.67%	26.24%
	Percentage of care recipients who experienced one or more falls resulting in major injury	0%	1.60%
Medication Management	Percentage of care recipients who were prescribed nine or more medications	36.11%	43.60%
	Percentage of care recipients who received an antipsychotic medication	30.56%	21.38%
	Percentage of care recipients who received an antipsychotic medication for a diagnosed condition of psychosis	16.67%	13.43%

Projects: Lifestyle and Activities

Dementia Dining Room

This area has a beautiful raised garden bed which currently holds artificial flowers. To continue with the homey feel it is planned to plant a sensory garden including mint, lavender, and other plants with strong aromas. We will also look at planting flowers and incorporating a vegetable patch into the area.

Residents will be able to hone their gardening skills as they maintain the garden beds by weeding, picking, watering, and planting produce. Residents will need some prompting and assistance from staff but will be encouraged to be as independent as possible.

Indoor/Outdoor Area

To create a more inviting and comfortable atmosphere, there will be new lounges with cushions and coffee tables with décor incorporated into the indoor/outdoor area for residents to enjoy. Activity



stations are set up around the wing incorporating magazines and books; this will also invite residents to enjoy the space. Outdoor area fences will be covered with bamboo to create a soothing and relaxing space without the feeling of being locked in.

The bus shelter will be developed into a small workspace with a tool board and work bench so residents can tinker. Partnering with the Warialda Men's Shed to create this space will be beneficial for male residents. A walking track with supervision and guidance is the perfect way for residents to enjoy the outdoors and find activities they can participate in.

Outdoor Courtyard

To make residents more comfortable, installation of an air conditioner in the main activity room is required and the leaking roof fixed. A Queenslander type room is planned with folding tables ideal for activities as they can be folded and safely stowed away when not in use, and more comfortable chairs are required. The intention is to utilise the current dining room tables and chairs when these are replaced later in the year.

Activity trolleys have been set up and made accessible to residents. A secure space for the Activities staff has also been set up to ensure that they have a useable working space. Utilising the grassy area will expand the activity space and will be achieved by relocating the outdoor settings and umbrellas there. A raised garden bed will add to the feel of an outdoor activity area. This area is also accessible from the Dementia wing, providing those residents with access to other parts of the facility. Lifestyle team members will also be able to assist with the cognitive impaired residents.

Training

The launch of Naroo staff online learning with Altura has been a great success. This online education package supports and enhances the services that we provide, are high quality, compliant, safe, and consistent. Staff access all learnings via Altura and this can be accessed at home or in the work environment. Reports can be downloaded by the Aged Care Manager indicating compliance and achievements of staff to ensure that all required training is completed along with personal development training that staff may choose to undertake.

Centro Assist

Naroo has moved over to the Centro assist app which stores current policies and processes electronically and staff can access these 24 hours a day. The Safety and Quality Safety System web app is a secure way to store organisational policies, processes, and documents. SQMS is a document management system that allows access to your policies and processes in different ways.

These include:

- As content on your online portal
- As a URL within your other document management systems
- As a single PDF document (of either all policies of all processes)
- As a hardcopy printed from a PDF

NAIDOC Week Celebrations



ANZAC Day Celebrations

Residents and staff worked together to prepare for the day by creating a wreath and a BBQ lunch. This was a time of reflection and to remember those who have served and sacrificed. One of Naroo's resident war heroes led the procession to honour all the soldiers and their families.





Staying Connected

A reminder to the community of the faces that are within their home at Naroo and we are all one family.



Nurse Day

Staff were treated to an afternoon tea prepared and served by the residents in recognition of Nurses Day.



Smart Solutions to Social Distancing

We all enjoyed our hugs. Thanks to our very own talented Activities staff with this genius invention which brought many smiles to say the least.



Activities: Picnic Day



Donations

The Naroo Advisory Committee has donated a new Weber BBQ for use for Residents and events. They have also donated new flooring in the lounge room followed by the purchase of new furniture through Crown Furnishings which is very much appreciated and needed as the current furnishings are out of date. The lounge area was repainted by Council.

Commonwealth Home Support Program (CHSP)

Bingara

During the past 12 months we have had a number of social outings including visiting Copeton Dam, Guyra for their Extravaganza, The Roxy for morning tea and our usual weekly morning tea/luncheon held in the Lingalonga room. Due to COVID-19 we did have to suspend our activities for a few months, however we kept a check on our regular clients by delivering morning tea to them at home on several occasions.

Bingara CHSP relies heavily on volunteer drivers for our Transport and Meals on Wheels deliveries. We also have a number of volunteers that help with social activities on a regular basis. Without these volunteers it would be extremely difficult to offer the kind of service that we do. Meals on Wheels has increased greatly since the beginning of COVID-19 with a local supplier ceasing to deliver, therefore CHSP obtained a lot of new clients.

The access bus to Inverell is running every second Friday and carries up to 8 passengers each trip. This was suspended due to COVID-19 however it is now up and running again but with limited numbers.

As staff have been unable to attend any forums/seminars due to COVID-19 restrictions, a lot of time was spent refreshing skills and knowledge via Zoom conferences with NESST and Transport for NSW. Following is a list of services provided by Bingara CHSP for the year ending June 2020:

Clients receiving services	118
Transport trips provided	1679
Meals on wheels provided	1135
Meals provided in centre	1343
Group social support hours provided	1184 hrs
Individual social support provided	3365 hrs

Warialda/Delungra

Commonwealth Home Support Program (CHSP), provides services to clients in and around our local shire areas. These services include Meals on Wheels (fresh and frozen), Day Centre meals, organised activities and transport services, both local and out of town. Social support, both group and individual is also offered, and this support includes things such as monthly outings and an annual Christmas get together organised by staff and volunteers.

Warialda CHSP has a bus that travels to Inverell on a fortnightly basis for clients, however this service was temporarily halted at the height of the COVID-10 restrictions. This service is now back up and running and being utilized by clients.

Client care plans are continuing to be produced and are closely monitored and updated when required.

Client birthdays are celebrated each month and the events calendar is closely followed throughout the year to ensure that clients are able to maintain a socially active lifestyle. A CHSP Newsletter is produced and distributed to clients monthly to keep them informed with what is happening at the service.

Due to COVID-19 and the restrictions imposed, our facility had to cease all services earlier in the year. These restrictions affected clients, volunteers and staff of the centre and prevented clients attending any Service Centre, Bus trips to Inverell and Meals on Wheels. This was not a very good time for a lot of clients as their visits to the day centre is often the only outing that some of them have. Staff took over the delivery of Meals on Wheels, some transport trips that were deemed essential and also attended Naroo Aged Care Hostel in Warialda to assist with afternoon activities. Operations are now back in full swing with staff, volunteers and clients all adhering to regulatory standards around PPE, sanitising, hand washing, use of masks, sign in sheets, and temperature checks.

The 2019/2020 Carers grant was used to take our volunteer drivers to lunch at the Royal Hotel in Warialda and Meals On Wheels volunteers received a \$25.00 fuel voucher from Moore's garage to show our appreciation for what they do week in, week out.

Following is a list of services provided by Warialda/Delungra CHSP for the year ending June 2020:

Clients receiving service	97
Transport trips provided	756
Meals provided in home	799
Meals provided at centres	1646
Group social support	3584hrs
Individual social support	620hrs
Volunteers	4204 hrs

Our Achievements in Building Services

Council's Building Services Business Unit comprises six full time, 1 part time and school-based trainee staff members and is responsible for, but not limited to providing the following services to the community:

- Building approvals, certification, and inspections
- Swimming pool compliance and inspections
- Sanitary plumbing and drainage approvals and inspections
- Building repairs and maintenance
- Capital works construction

Building Certification and inspections

Building Services staff provide an effective and affordable building approval, certification, and inspection service to the community. Services extend to the assessment and issuing of construction certificates, building certificates and occupation certificates. Staff also carry out critical stage mandatory building inspections during the building process to ensure that buildings and structures are compliant, safe, and fit for purpose.

Our Business Unit also provides information and advice to members of our community in relation to various building related issues.

Right: Building Services Administration Assistant, Kellie-Anne Gilkison with resident Lara Mitchell



Building Services staff respond to complaints received in relation to illegal development, building safety and other matters and carry out investigations and enforcement action where necessary.

Swimming Pool Inspections

Building Services has a private swimming pool inspection program in place where all known swimming pools in Gwydir Shire are inspected once every three years. The program is designed to ensure owners of private swimming pools maintain their pools and pool barriers in an effective manner to ensure the safety of all pool users.



In the 2019/20 financial year Council inspectors carried out 33 pool inspections and issued 33 swimming pool compliance certificates.

Right: Swimming Pool inspections aim to protect our young children from accidental drowning

The 2019/20 financial year saw the commencement of the second round of the 3-year rolling program for inspections which means that all known swimming pools within Gwydir Shire have now been inspected at least once. The program will continue to be undertaken on a yearly rolling basis as required by the NSW Government.

Sanitary plumbing and drainage approvals and inspections

Gwydir Shire Council is the delegated authority by Fair Trading NSW to issue approvals for and inspections of sanitary plumbing and drainage within the Gwydir Shire Local Government Area. This includes the installation of all sanitary plumbing and drainage and includes the installation of on-site sewerage management systems (OSSM) where there is no access to a reticulated sewer system.

Council regularly conducts inspections on OSSM systems for the sale of properties to ensure that systems have been installed properly and are operating effectively to ensure health of the occupants, adjoining properties, and the environment.



Building Repairs and Maintenance

Building Services carried out over 50 planned maintenance activities and responded to in excess of 100 reactive repairs and maintenance requests across more than 100 Council owned facilities. Staff also responded to after-hours security calls and emergency repairs to Council buildings.

Above: Building Services staff member Tom Power carrying out stormwater remediation work at the Warialda VIC

Capital Works

Most of the regular Capital Works program for 2019/2020 was deferred to allow Building Services staff to undertake projects under the Stronger Country Communities Grant Funding program and other Grant funded projects.

These projects included the following:

- Warialda Memorial Hall – refurbishment of kitchen
- Croppa Creek Hall – installation of deck
- Bingara Museum – addition of office and storeroom
- Bingara Civic Centre – construction of library

Above: Croppa Creek Hall – Installation of deck



*Right: - Bingara Civic Centre –
Construction of Library*

Training

Council's Building Services staff continue to undergo mandatory training to ensure their ability to maintain a safe and compliant workforce which includes:

- Safe working within proximity of power lines training
- First aid training
- Asbestos removal



Staff also participated in Continuing Professional Development (CPD) training to ensure their ability to maintain accreditation where required under relevant legislation.

Summary

The Building Services Business Unit continues to work collaboratively and cooperatively with other Business Units within Gwydir Shire Council to ensure the effective and efficient delivery of our goals for our community.

There are a number of exciting Capital Works projects that have been commenced in the 2019/2020 financial year which will be delivered in 2020/2021. We look forward to reporting on those in the 2020/2021 Annual Report.

Our Achievements in Environment and Sustainability

Environment

Compliance

The department conducted camping inspections along the Gwydir River. Inspections of camping areas is done daily through the working week and staff attending call out after hours as required. There were no major incidents in the camping areas. Camps set up outside the designated areas have been drastically reduced since the new signage was installed and the addition of a series of native plant screens. In partnership with the RMS, personal watercraft (Jet Ski) signage was installed at key sites along the river.

COVID-19 saw the camping areas shut to new arrivals towards the last quarter of the period. Temporary signage and barriers were erected, and staff monitored these areas. Fortunately, there were no reported incidents related to the pandemic. A very small number of permanent travellers were effectively stranded without a residence to return to. Their status was verified and there were no issues with them remaining on site until they could continue to other destinations as they were opened.

The Regulatory officers seized five dogs that were microchipped and registered with current owner contact information. This enabled them to be reunited with their owners with a warning instead of going to the pound.

A further 29 dogs were seized and transferred to the impounding facility. Seventeen were rehomed within the area and to rehoming organisations. The staff have networked with several rehoming organisations across the state to ensure that the maximum number of unclaimed suitable pets find a new home. There was one dog taken from a break in at the pound before the CCTV was installed.

The Regulatory officers did not seize any domestic cats in the period. Feral cat control was undertaken at the landfills as well as cat traps set and monitored.

A remote view solar CCTV array was installed at the pound towards the end of the period. It has two cameras that can be viewed remotely on mobile devices through an app. The purchase was partly funded by the Office of Local Government's COVID-19 funding boost for Council pounds. Routine surveillance was conducted at rest stops for litter and truck effluent release. Staff also regularly monitor unauthorised access to the remote landfills.

During the period 14 goats and 18 sheep were impounded and released back to their owners after the impounding fees were paid. Seven abandoned vehicles were reported, and the owners were notified to remove them. All unclaimed vehicles were taken to the landfill for scrap as provided for under the Impounding Act.

During the reporting period, 18 dog barking and four other noise complaints were reported and investigated. 24 dog roaming reports and four cat reports were investigated.

Staff dealt with a number of Non-Companion Animal matters, including eight horse complaints, two for pigs, three for goats, four for stock and seven for kangaroos.

Four smoke and burning, one pollution and one smell request were investigated.

One Noise complaint was dealt with through a warning letter.

Council received 14 overgrown and untidy block reports. These were inspected and seven Notices of Intention were issued. Seven of these went to Order.

Two septic issues were investigated, and two Notices of Intention were issued, and one went to Order.

The previous period saw a massive spike in the number of grazing permit concurrences processed. It has returned to similar levels that preceded the spike. 39 grazing permit concurrences were processed for the period. The application forms were reviewed and streamlined to accommodate the expected increase.

Penalty Notices

Companion animal (dog) - 5 penalties issued

Fail to Comply with Terms of Notice erected by Council (landfills) - 2 penalties issued

Fail to Comply with Order - 3 penalties issued

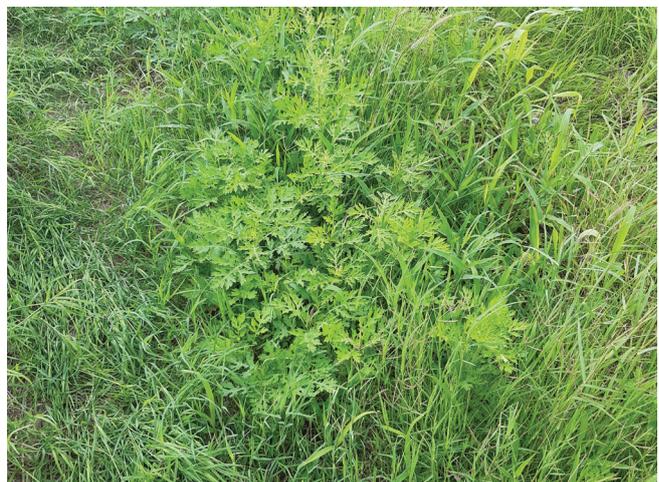
Burn without approval - 1 penalty issued

Noxious Weeds

This year marked the fifth year of the 5 year Weed Action Plan. The number of properties in section E were inspected and control information and advice given to landholders regarding their biosecurity duties. Routine inspections, reinspection, education, weed control and identification was completed for the period.

It also saw the addition of Adrian Wood to the weeds team as the new Biosecurity Authorised Officer (weeds). Also added, was a new Utility Terrain Vehicle (UTV) with its own spray unit. This will allow staff access to areas that were difficult to access with spray gear.

Staff also received training and qualifications in Collect and Classify plants, Recognising grasses, Off-road four-wheel drive training and AQFIV Chemical Risk Management Accreditation. Staff attended the Biennial NSW Weeds Conference in Newcastle.



The department is running Chartis software for GPS capturing and reporting weeds data to the standards required by the DPI.

Noxious weeds were successfully controlled in hotspots identified around the Shire and across our road network. Working closely with the Local Lands Service, Landcare, North West Weeds and bordering Shires. The Harissia Cactus containment line at North Star was held, with control works done across the area. Staff attended the Harrisia forum and a field day to trial steaming control works.

The weeds unit continued High Risk Pathway control targeting feral fruit and nut trees including firethorn (Pyracantha) honey locust, black locust, pistachio and African olive, Madeira vine, cat's claw creeper and Century plant. The project is funded by the North West Local Lands Service. The program control area from the southern border and out to Upper Horton expanded to include the areas north along Regional and State Roads. Control continues from Delungra Road and Gulf Creek Road and along the Cobbadah Road north to continue along the Allan Cunningham Road up to Warialda and continuing north along the Warialda Road and along the North Star Road.

The weeds unit in partnership with Landcare run cochineal bug propagation in the purpose-built greenhouse at The Living Classroom. Bugs are available for landholders to control tiger pear, rope pear and prickly pear.

The department also coordinated the slashing of thorn apple across the Gwydir River common camping areas in Bingara and the riverbank adjacent Junction Park. This was followed up with the spraying of marshmallow weed in those areas.

Biological control was also undertaken on cat's claw creeper on the Gwydir River in Gravesend. Bugs were transported from Coffs Harbour and released on site.



Parthenium weed hot spots were routinely checked and plants were detected, destroyed and reported. Parthenium had been detected in feed delivered to farms in rural NSW. Large amounts of feed were distributed throughout the Shire during the drought. The DPI and the Noxious Weeds team conducted follow up inspections for all persons and properties that received feed to check for parthenium and provided information to landholders.

Educational activities

The officers attended the Hudson Pear field day in February. They also ran information stalls at AgQuip, where they have a display of noxious weeds and booklets for weed control focused on the targeted weeds for our geographical area. They also attended drought relief events to provide support and information. The Bingara and Warialda Shows were cancelled during the period due to COVID-19. The usual displays at those events did not occur.

Health

Food Inspections

COVID-19 restrictions meant that the inspection program was suspended for a few months. When it recommenced, several businesses had shut. All medium and high-risk food businesses had an annual inspection except for the school canteens. Mobile food vans and stalls did not make their regular trips to the shows this year. The yearly food inspection survey was completed and submitted to the Food Authority.

Information was distributed to food businesses including Food Authority fact sheets and a Regional Food Safety calendar. People seeking information about starting a food retail business, mobile and home food businesses were given the relevant information. Three complaints were received for the period. They were investigated and the appropriate actions were taken. Staff attended regional meetings and training sessions with the Food Authority.

Water Sampling

Weekly water sampling was conducted for Bingara and Warialda, fortnightly for Gravesend and monthly for North Star as required under the NSW Health requirements.



Electricity

Electricity consumption continues to be monitored through the Azility (Planet Footprint) service. Expenditure decreased from the previous period two periods, from \$632,000 and \$588,000 respectively to \$518,547. Usage also dropped from 8028GJ and 7783 GJ for the previous two periods to 6689GJ.

Councils three large sites (Naroo, Bingara Water Treatment Plant and the Warialda Sale Yard Bore) are with Origin Energy, Street lighting is with ERM, and all the small user sites are with AGL. The contracts are through Local Government Procurement who negotiate the best price and stability in the volatile energy market.

Solar systems are operational at Naroo, the Bingara Council Chambers, Warialda Council Chambers, Warialda Works Depot, Warialda Sewerage Treatment Works and the Roxy Theatre.

Our Achievements in Waste

Through the hierarchy of Avoid, Reduce, Reuse and Recycle, the Gwydir Shire Council aims to achieve sustainability and the responsible use and disposal of resources within the region.

The Shire provides Landfill and Transfer sites services at seven facilities across the Shire. Warialda and Bingara have a fully staffed landfill operating seven days a week. There are remote landfills at Coolatai, Croppa Creek, Gravesend, Warialda Rail and Upper Horton, and a transfer station facility at North Star. All residents and ratepayers across the Gwydir Shire have access to a landfill or transfer station.

Gwydir Shire Council provides households with a 3-bin system consisting of general waste, recycling and food and kitchen organics (FOGO). Commercial and Non-Rateable properties have a general waste, recycling service and food and kitchen organics upon request as needed.

As part of the collection contract, Cleanaway provides education sessions on waste and utilising the 3-bin system. Face to face workshop sessions were suspended and the delivery was through an online portal during the 2019/2020 reporting period.

There are Public Place Bins in parks, ovals, and rest areas across the Shire. Twelve new 240 litre wheelie bin enclosures replaced the aged steel 55 litre bins on Maitland Street Bingara. The new enclosures are made from steel and recycled plastic 'wood' batons. The plastic features will reduce the maintenance and replacement costs associated with wood.

Commercial and domestic 'Cardboard cage' recycling services are located at Bingara, Croppa Creek, Gravesend, Warialda and Upper Horton.

Gwydir Shire Council also provides a range of specialised recycling and disposal services such as Asbestos, DrumMuster, Mobile Muster, Printer Cartridge, E-Waste, Petroleum and Cooking Oil and Household Chemical Collections.

We are a member of the Northern Inland Regional Waste Group. This group was formed in 1998. Northern Inland Regional Waste (NIRW) is a collaboration of councils from the New England and North West region of New South Wales who are focused on delivering cost effective and sustainable waste management options for the regional community. Armidale Regional Council hosts the positions of the NIRW Executive Officer and Program Coordinator. Current member councils are: Armidale Regional Council, Glen Innes Severn Shire, Gunnedah Shire, Gwydir Shire, Inverell Shire, Liverpool Plains Shire, Moree Plains Shire, Narrabri Shire, Tamworth Regional, Uralla Shire, Tenterfield Shire and Walcha Shire.

Waste Collection

An online fortnightly promotional campaign targeting the improvement of recycling habits has been undertaken along with a fortnightly campaign aimed at promoting increased use of FOGO bin (Food Organics Garden Organics Bin).

- An average of 263kg per service was collected in the Red bin over 1563 services down from 288 kg
- An average of 126kg per service was collected in the Yellow bin over 1563 services down from 140 kg
- An average of 129 kg per service was collected in the Green bin over 1373 services up from 105 kg

The decrease in the red bin is a good indicator of better waste separation and recycling. The drop in recycling was expected with the container deposit scheme. There is a good incline in green bin mass which may be due to education and promotion, leading to a better uptake of use as well as a slight easing in the ongoing drought.

Gwydir Shire Landfills and Transfer Stations

Gravesend Landfill had a solar powered secure access gate and CCTV installed in the period. This allows access to residents in the identified Gravesend catchment with a code. The installation has seen a significant decrease in incoming waste.

Croppa Creek was fenced with a 6-foot chain mesh fence with 2 strand barbed wire.

Cash sales were suspended at the tip shops due to COVID-19. Up until that point the Tip shop sold \$2913.06 worth of items back to the community that otherwise would have been buried; this was down slightly from \$3503.74 from the previous period, earning \$590.68 less. The Lead Acid battery recycling sales income was \$1499.30.

The Norther Inland Regional Waste group and EPA sponsored Household Chemical Clean Out was hosted at both Bingara and Warialda Landfills in September 2019. 2528.25kg of toxic products were recovered for safe disposal. This was up slightly from 2198.65kg in the previous period, with 329.6kg more. This program minimises the risk to the environment and community by reducing the instances of illegal dumping and accidental poisoning. NIRW and NSW EPA fund 50% of the cost.

The regional collaboration through the NIRW meant reduced costs to participating Councils through a milk run.

Cemeteries

Annual cemetery reporting was completed for the period for the operating cemeteries. Eight internments were made for the period at Warialda and ten at Bingara. One inurnment of ashes was made in the Warialda columbarium and none were made at Bingara

Bingara Cemetery had the columbarium area paved and a seat with a shade tree installed. A new plinth with 52 new plots was also constructed and a new row of trees were planted in the period.



Warialda cemetery had two new columbarium walls with a total of 96 niches erected.

Our Achievements in Town Utilities

Water

Gwydir Shire Council provides water supply to Warialda, Bingara, Gravesend and North Star.

Warialda's water supply is sourced from groundwater from five bores. The water is aerated and disinfected with sodium hypochlorite before being delivered to residents.

Bingara's water is sourced from the Gwydir River via bank infiltration chamber; the water

is then treated using dissolved air floatation/filtration process and disinfected with chlorine before delivery to reservoirs where the water gravitates to users.

Gravesend water is sourced from the Gwydir River via bank infiltration bores located north east of Gravesend. Water is disinfected with sodium hypochlorite before being delivered to residents.



Bingara Water Treatment Plant

North Star's water supply is sourced from sub artesian ground water. The water is aerated, and then treated using Reverse Osmosis and disinfection with sodium hypochlorite before being delivered to residents.

In 2019/2020 a total of 901ML of water was treated and delivered to users in the Shire.

Water Charges have an access component and a usage component with a two-part tariff. Water usage less than 600KL is \$1.40/KL and water usage over 600KL is \$2.05/KL. Water billing is undertaken on a quarterly basis.



Above: Warialda Truck wash storage tank

Water Supply Capital improvements 2019/2020 included:

- Water Component of The HPVR truck wash bay
- New water connections
- Telemetry Upgrade of Bingara and Gravesend water supply
- Replacement of Saleyard bore submersible pump
- Replacement of Bingara raw pump
- Replacement of the Reverse Osmosis membranes at North Star Water treatment plant

Water Operations and Maintenance

Council's four water supplies operate under a Drinking Water Quality Management system which involves placement of multiple barriers of protection to ensure water quality is maintained. Inspection and Testing of water quality is carried out daily. Protocols are in place to take immediate action if one of these barriers is compromised. As an independent check, Council's environmental section collects water samples from the reticulation system of the four supplies and sends to NSW Health laboratory for analysis. In 2019/2020 Gwydir Shire water met the parameters of Australian drinking water guidelines by 100%.

In September 2019 the two Bingara reservoirs and Gravesend ground reservoir underwent cleaning.

Three new water connections were installed during 2019/2020. Ten water service lines were replaced from main to meter and 171 service lines were repaired.

Ninety-one water meters were replaced due to age limit or faults and 44 water main breaks were repaired.

Water Restrictions

Level 1 Water restrictions were introduced Shire Wide on 1st October 2019 due to a long period of minimal rain and high temperatures. Level 1 restrictions prohibit watering between 8am to 8pm. On 11th February 2020 Level 1 restrictions were modified to 10am to 6pm due to numerous requests from the public. The restrictions have been left at Level 1 for the remainder of the year as part of a water wise approach to long term demands.

Grant Funding

Council received the following grants under Department Primary Industries and Environment – Water – Safe and Secure Water Program:

1. Gravesend Water Supply Upgrade Scoping Study \$45,000.00
2. Instrumentation, Monitoring and Telemetry Upgrade Study \$57,750.00

The Gravesend study investigated water quality and options for water treatment.

The Instrumentation and Telemetry study investigated all four water supplies level of process instrumentation, water quality monitoring and automation including telemetry and made recommendation of required expansion and integration for future upgrades.

Sewerage Systems

Gwydir Shire Council operates two sewerage systems. Warialda, built in 1969/1970, has a design size of 1500EP (equivalent population). Warialda operates under Environmental Protection (EPA) Licence L584 for small treatment plants with an allowable discharge of 250ML/year into Reedy Creek. The yearly inflow into the sewerage treatment was 160ML, 47ML of treated effluent was recycled and used at the local Golf Course to irrigate the fairways and tees. Bingara sewerage system was commissioned in 1971 and has a design capacity of 2000EP. The Bingara system operates under EPA licence L586 for small treatment plants with an allowable discharge of 250ML/year into the Gwydir River. The inflow for Bingara sewerage treatment plant was 115ML and 3ML of treated effluent was recycled and used on site.

Council's residential sewer access charge is \$500/annum, non-residential sewer access charge is \$425/annum, non-residential sewer customers also pay a usage charge based on their water consumption and a sewer discharge factor. Non- residential customers have trade waste charge levied each year.

Capital Works

- Manhole inspections and relining
- Bingara sewer extension to the north and east Bingara, design investigation.
- Bingara STP power upgrade – remove overhead wires
- Bingara sewer pump station 3 replacement of non-return valves
- Warialda sewer treatment works humus pump replacement
- Sewer component of truck wash bay which included:
 - o new sewer pump station
 - o 500m of rising main
 - o various manholes and pits
 - o extension to service the amenities building
- Warialda sewerage treatment plant (WSTP) - new submersible ponds pumps
- Four new sewer connections were installed

Manhole Internals Before



Manhole Internals After Reline / Repairs



Grant Funding

Council received the following grants under Department Primary Industries and Environment – Water – Safe and Secure Water Program:

1. Business case development to investigate the provision of reticulated sewerage to serve east and north Bingara and upgrading facilities at the existing Bingara STP. \$231,000.00

Workshop

Council operates two workshops. There is a Workshop supervisor, one fulltime mechanic, one fabricator/welder, two apprentice mechanics and one school-based trainee mechanic in Warialda.



The Bingara workshop is operated by a Workshop supervisor and one apprentice mechanic. During 2019/2020 the workshop completed 180 services and carried out a total of 938 repairs to individual items of plant. Council's fabrication section constructed five Bingara town entry signs, two Warialda town entry signs, Coolatai War Memorial, truck wash bay staircase and platform along with plant welding repairs.

Council's heavy plant fleet consists of the following equipment:

Description	Number
Graders	7
Excavators	2
Front end loaders	3
Backhoes	3
Mini excavator	1
Skid-steer loader/sweeper	2
Rollers – smooth drum	3
Roller – padfoot	2
Roller – rubber tyred	1
Tractor – grid roller combination	3
Tractor – slasher combinations	5
Compactor – landfill	1
Rock crusher	1
Zipper	1
Trucks	
Primemover/lowloader	1
Tipper and pig trailer	3
Jetpatcher	2
Watercarts	5
Medium tipper trucks	5
Light trucks	5

Plant Replacement Program

The following new items of plant were purchased in 2019/2020

- P1937 – Renault Master bus
- P1932 – Holden Calais wagon – CHSP
- Specialist equipment – P1933 Volvo lime spreader
- P1934 – 8 x 5 tipping trailer
- P1938 – Cat 938K front end loader
- P1939 – Mazda BT50 4x4 ute – weeds section
- P1940 - Mazda BT50 4x4 ute – building section
- P1941 - Mazda BT50 4x4 ute – Landfill
- P1943 – Pressure cleaner
- P1944 – Isuzu D-Max 4 x 2 ute
- P1945 – Isuzu D-Max 4x2 ute
- P1946 – Isuzu D-Max 4x2 ute
- P1947 – VW Multivan – Naroo Hostel
- P1948 – Kawasaki Mule – Weeds section
- P1950 – Kubota skid-steer loader/sweeper
- P1955 – Cat 140M grader
- P1956 – 8 x 5 trailer



P1938 – Cat front end loader



P1955 – Cat 140M Grader



P1933 – Volvo lime spreader truck



P1950 – Skid-steer sweeper

The following Council equipment was disposed of, via private sale, sold through Grays online or Pickles auctions:

- P1419 – Ford Transit bus
- P1008 – Hold Commodore wagon
- P1852 – Toyota Kluger
- P1440 – Ford Ranger 4x2 utility
- P1665 – Skid-steer loader and broom
- P1466 – John Deere grader
- P1854 – Holden Caprice

Parks and Gardens

Gwydir Shire Council operates and maintains 15 parks, 3 sports fields, including 11 playgrounds, 12 Reserves and numerous gardens. There are two separate work crews - the south crew maintains Bingara, Upper Horton, Glacial area and Myall Creek memorial site. The north crew maintains Warialda, Gravesend, Warialda Rail, Coolatai, and Cranky Rock Reserve.

The community and numerous visitors use these facilities and it is Council's aim to keep these areas in prime condition. Weekly playground inspections are undertaken, and maintenance carried out as required.

Council has a tree inspection and maintenance program in place including annual trimming, removal and stump grinding of dead trees. New trees are planted to replace any trees that have died or been removed. Council has a nursery located at The Living Classroom and 80% of the flowers that are planted in the streetscape are grown in the nursery. Council's sporting fields are high quality and are ranked with the best in the region.

In 2019/2020 Council obtained funding under the Stronger Country Communities Program Round 2 for the following projects:

- Installation of shade sails at Cunningham Park Playground Bingara
- Installation of shade sails at Captain Cook Park Warialda
- Installation of perimeter fencing at Bicentennial Park in Bingara
- Gwydir Oval grandstand refurbishment
- Gwydir Oval new amenity building was constructed



Warialda Recreation Ground



Cunningham Park Shade Sails



Captain Cook Park Shade Sails



Bicentennial Park Fence

The Big River Dreaming project funding provided funding for a floating pontoon on the Gwydir River for launching kayaks and fishing. In 2020/2021 a footpath will be constructed to link the pool precinct to the pontoon and river picnic area.

Right: Pontoon on Gwydir River



Gwydir Oval Grandstand and skillion



Gwydir Oval Amenities slab

Drought Casuals

Council has employed a team of casual staff under the Gwydir Shire Council Drought Assistance Program. The additional staff and material allocation has enabled Council to complete additional activities that would not have been undertaken in the day to day operational and maintenance activities.

The projects included:

- Painting street furniture in Maitland Street Bingara
- Installation of Colourbond fence at the Bingara cemetery
- Installation of crowd control fence and assisted in laying turf at Gwydir Oval
- Refurbishment of timber seats at Gwydir Oval
- Installation of pavers at Bingara cemetery columbarium including tree planting and seating
- Installation of perimeter fencing at Bicentennial Park
- Repairs to Gwydir River common fences
- Installation of concrete slab and shelter at Bingara boat ramp
- Installation of concrete slab and shelter at Junction Park
- Installation of concrete slab and two shelters at CWA Park
- Fencing at The Living Classroom
- Fencing at the Bingara Showground
- Fencing in West Street and Gwydir Terrace, Bingara
- Installation of concrete slab and seating at Bingara Lookout
- Installation of pool fencing around CWA playground
- Installation of bench seating at Whitfield Place



Above: CWA Playground fence and shelter



Top right: Bingara Cemetery Columbarium – pavers, tree and seating



Right: Boat Ramp shelter

Bingara Showground

Gwydir Shire Council is the trustee for Crown Land Reserve D560019 Bingara Showground. The Showground is maintained by Council in consultation with four main user groups, Bingara Show Society, Bingara Pony Club, Bingara Polocrosse and Bingara Jockey Club. The Showground is popular for holding large regional equestrian events due to the size and facilities available on the site.

During 2019/2020 the following major events were held

- Bingara Races
- Pulse of the Earth Festival – (carparking and accommodation)
- Bingara Pony Camp
- Little Juddies drought relief – storage and handouts
- Bingara Pony Club mini camp
- Numerous one day equestrian events



Bingara Showground General purpose shed

Under Council's Capital Works Program, a 15m x 8m Colourbond shed was constructed to be used for general purpose and in particular poultry display at the annual show. The earthworks, slab and construction were undertaken by Council.

Portable Toilets

Council has three portable toilets available for use on road works and private hire. The uses of the toilets were donated to a number of community events including:

- | | |
|------------------------------------|-------------------------------------|
| • Model aeroplane fly in | • Anglers club fishing competition |
| • Upper Horton Rodeo | • Copeton Fresh Water swim |
| • Upper Horton junior rodeo school | • Upper Horton trail ride |
| • Coolatai camp draft | • Landcare field days |
| • Coolatai tractor pulls | • Warialda show |
| • Warialda races | • plus, a number of private rentals |

Our Achievement in Marketing and Promotions

Events

The Gwydir Shire Council Events team delivered a number of community events during the 2019/2020 reporting period, striving to achieve Gwydir Shire Council's strategic outcome of a healthy and cohesive community by nurturing a community which is an inviting and vibrant place to live.

These events included the Bingara Orange Festival, Bingara and Warialda Christmas events, The Gwydir Community Education and Business Awards, The Bingara Australia Day Celebrations, Warialda Enterprise with Energy, Local Government Week, North Star Cinema under the stars, Small Business Month and a number of grant funded project launch events. In addition, Council provided cash and in-kind support to a range of community events such as the Warialda Men's Health night, Bingara Bowls Light Horse Carnival, Pulse of the Earth, Warialda Rail and Gravesend Christmas events, the Bingara races, the Bingara Lions Club family evening and Upper Horton New Year's Eve. Unfortunately, due to COVID-19 restrictions the 2020 Warialda Honey Festival which was to be held in March along with a number of other local events across the Shire had to be cancelled.

The 2019 Bingara Orange Festival in July was hailed a resounding success with record crowds and extensive media coverage including, TV, Radio, Facebook, and print.

The theme of Rock n Roll/ 50's 60's was continued from 2017. Based on data derived from Wi-Fi signals and crowd mapping calculators an estimated 5200 people visited Bingara over the three days.

The Festival on the Saturday saw record crowds and the support of sub-events such as the Saturday evening dance hall at the Bingara RSL Club and the cabaret live show at the Roxy Theatre were all well attended. The dance hall was particularly successful and saw the club auditorium reach maximum capacity.

Despite the devastating effects of drought on local businesses a number of nominations were received for the 2019 Gwydir Community Education and Business Awards reflecting the resilience, spirit and tenacity of our local businesses. Over 100 nominations were received over the four categories, with 53 different businesses or employees being nominated with nominations received from a range of sectors including hospitality and services, to aged care and retail.

A highlight of the awards was guest speaker Jamie Munsie CEO of the extremely successful local business Faraway Domes.

The winners of the Business Awards were:
Junior Employee – Ethan Brown, Meat on Maitland, Bingara
Senior Employee – Jennifer Brown, Touriandi
Small Business – The Croppa Creek Store
Large Business – The Warialda Medical Centre



Tourism

The Shire is proving to be growing in popularity among tourists, with large numbers of RV travellers flocking to the area for our clean air, wide open spaces and picturesque landscapes. Although it is difficult to estimate the exact number of visitors to the Shire each year, the visitation statistics collected through our Visitor Information Centres is a good indication.

In Warialda, 4128 visitors were greeted at the Warialda Information Centre in the year, with an additional 4502 visits to Services NSW totalling 8630 visits to the Centre for the 2019/2020 reporting period. In Bingara, 5817 visitors were met by our friendly staff for tourism related information. This was down on last years' numbers due to the impacts of COVID-19. The Centre was closed from the end of March 2020 through to the beginning of June and operated with limited trading hours through June which is traditionally peak season for visitation in the area. This closure provided an opportunity to complete maintenance work on the Bingara Visitor Information Centre, including painting and re-carpeting the space. These works are now complete, and staff are busy reorganising the centre in preparation for restrictions to ease allowing for the reopening of the centre.

Economic Development

In addition to the annual business awards, Council undertook a number of initiatives to assist local retailers and businesses. At the end of July 2019, Council secured a visit by The Commissioner for the Office of the NSW Small Business, Robyn Hobbs OAM and the Minister for Small Business, the Hon Damien Tudehope MLCAs who attended the July Council meeting to discuss the issues affecting small business, particularly in regard to the drought. Following the meeting with Council, the Minister and the Commissioner visited the retail businesses in the main street of Bingara to hear about the issues first-hand to develop strategies to assist these businesses.



The following month local businesses were provided with the opportunity to participate in a two-stage retail revamp workshop. The first stage covered the theory of visual merchandising where retailers gained valuable and practical skills from visual merchandising expert Carol Bagaric. Here they learnt how to make better use of space, product arrangement, and signage to tell the story of their product or service and be empowered to take on the challenging times head on.



As part of the second stage, Carol visited each retail store one-on-one to advise of potential changes to improve visual presence and increase sales.

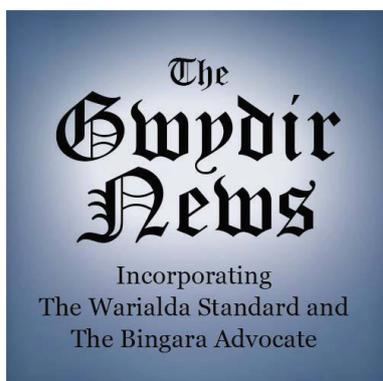
Later that month 'The Idea Factory - Enterprise with Energy' was launched at the Warialda Town Hall. A joint initiative between Warialda High School and Gwydir Shire Council, The Idea Factory aims to encourage Warialda High school students and local community members with great business ideas to jump in and start their own small business.



Special guest speaker, entrepreneur and author, Justin Herald, kicked off the initiative and inspired the audience with the story of his meteoric rise to success.

The initiative saw budding entrepreneurs submit their business idea to a panel of judges. Along the way, these applicants were provided with advice and support to fully develop their concept, and to ensure their ideas become a viable and sustainable business. Information such as budgeting, business planning, marketing, and tips to navigate red tape will be provided through access to expert business advisors.

Gwydir Newspaper



In July 2019, the future of the locally owned Gwydir Newspaper was uncertain. Despite an extensive search for a buyer by the former owner and editor, a suitable candidate was unable to be identified.

While there are a growing number of residents in our Shire who use social media as a source of news and events, a large cross section of the community continues to rely on the newspaper for their information, and as a link to the wider community.

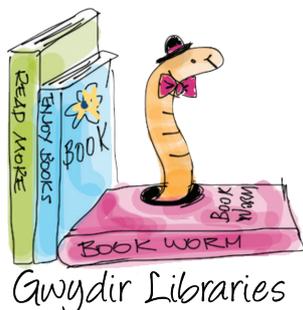
The potential closure of the paper was the cause of much distress and sadness throughout the community. Amid the grips of a crippling drought and following the recent closure of the National Australia Bank in Bingara in 2018, the end of the paper became yet another symbolic nail in the coffin for our district.

With the future of the paper still in jeopardy, Gwydir Shire Council felt that The Gwydir News was a community asset too important to lose. After much discussion, it was resolved at a Council meeting that Gwydir Shire Council would act as caretakers for a period of 12 months to ensure that the paper continued until a suitable buyer was found.

Following that move, Council retained key existing staff and recruited a new Editor and Sub-Editor to manage the newspaper and maintain this vital community service.

Our Achievements in Library Services

Library Services



Gwydir Libraries continue to prove very popular with local residents and visitors to the Shire, with services being well patronised.

Gwydir Library services are delivered using the Central Northern Regional Library (CNRL) contract which enables a much larger access to quality collections, resources, and library management systems than those Gwydir Shire Council could possibly deliver as a stand-alone service provider.

In addition to these resources, the Gwydir Libraries present a range of in-branch programs which are constantly changing and evolving. There programs include:

- After school programs – during school Term, 3 afternoons a week for children from Kindy to Year six.
- Toddler Maker Space – craft activity for toddlers one morning a week
- Book club – cross generational meetings held the first Friday of each month
- Chat and chess – male seniors held each month
- Lifelong Learning – targeting people wishing to learn more about library e-resources.
- Be connected - internet tutorials for the over 60s
- Storytime - pre-schools, school and playgroup visits to the library.
- Holiday activity programs – in-branch craft, lego and Science Technology Engineering Maths (STEM) activities
- Ability – program for adults with disabilities
- Maker Space Ability – program for children with special needs

Both Warialda and Bingara libraries also celebrated special events within the local community and outer villages, such as Children's Week, Families Week, Pancake Day, Education Week, Adult Learners Week, Cyber Safety Week, International Womens Day, National Simultaneous Storytime, One Book – One Region, Reading Hour, Book Week, Summer Reading Club and Local Government Week where our young people interacted with their Councillors.

A number of scheduled events and activities were impacted by COVID-19 with the Gwydir Libraries closed from the 24th March to 1st June 2020, reopening as governed by COVID-19 health regulations and guidelines for public libraries. During this time home deliveries and click and collect services satisfied the need for new resources with over 1200 loans during the period.

A highlight of the year was the relocation of the Bingara Library to its new home in the old Bingara Civic Centre site. The \$500,000 purpose-built facility was made possible by significant grants from the State and Federal Government as well as cash and in-kind contributions by Council.

Our Achievements in Property and Liaison

Caravan Parks

During the 2019/2020 reporting period Council assisted rural families during the drought by making the laundry facilities at both Bingara and Warialda Caravan Parks available for their use free of charge.

Due to the Government imposed restrictions brought upon by COVID-19, The Warialda and Bingara Caravan Parks were closed from 27 March 2020 until 1 June 2020.

During the period of closure to the public, staff at both Warialda and Bingara Caravan Parks carried out additional maintenance including gardening, painting of tanks and doors on the amenities, fencing and bathroom repairs. In addition, staff took the opportunity to deep clean all the cabins and amenities. All electrical equipment used at each park has been tagged and tested and defibrillators were purchased for Bingara and Warialda Caravan Parks with the assistance of a grant amounting to \$2,000 through the Caravan Industry Association of Australia.

Both parks were reopened for business from 1 June 2020 and have welcomed many travellers to the facilities.

Bingara Riverside Caravan Park

Throughout the 2019/2020 reporting period a number of other activities have occurred at the Park facilities.

These include:

- In September 2019, the State Government granted \$231,395 to upgrade the Bingara Caravan Park's amenities block and construct a new caretaker's residence. The residence will be a three-bedroom kit home with an office. Council will also use the funds to modernise the female toilet facilities which were built in the 1970s and need an upgrade.
- All electrical infrastructure was upgraded.
- A new commercial sized dryer has been purchased for use by staff, residents and visitors of the caravan park
- All of the trees in the Park were assessed and, where necessary, trimmed or removed. The existing stumps were also ground and removed.
- Three cabins were sold from the Bingara Riverside Caravan Park during May 2020.
- Following the sale of cabins, Caravan Park staff have temporarily relocated the office to a cabin near the front of the park.
- Employees of the Gwydir Shire Drought Employment Initiative removed the existing eastern boundary fence and constructed a new fence in its place after liaising with The Director of Nursing at Bingara MPS and the Manager of Touriandi.
- NBN News positively featured Bingara Riverside Caravan Park in its news item, Bingara Booms: Tourist town enjoys river upgrades, busy parks.
- Turf from the Bingara pool site was transplanted at the Park and the caretakers established entry gardens at their own personal cost adding to the appeal of the entrance to the Park,



Warialda Caravan Park

A commercial dryer was purchased and installed. Council's drought casual staff installed a new garden and irrigation along the park's Holden Street boundary and erected a boundary fence adjacent to the Warialda Recreation Ground eastern access. These works now define the area and will allow privacy to future visitors.



Cranky Rock

- Due to the ongoing dry and windy weather conditions, the 'enclosure' area of the Reserve was closed to the public as a safety measure for three weeks in October 2019.
- Cranky Rock Reserve was again closed to the public from and including 18 to 27 December 2019 due to the extreme weather conditions.
- Cranky Rock Recreational Reserve was closed to the public on Friday 27 March 2020 due to the COVID-19 restrictions imposed on the state of NSW at the time. Whilst the Reserve was closed the caretaker undertook additional maintenance and gardening to ensure the facility was ready to open again when restrictions allowed.
- A mobile cell-fi tower and a UHF were installed at the residence. In January 2020, a defibrillator was purchased and installed at the Reserve.
- An Engineering report regarding the construction and upgrade of the path to the Cranky Rock lookout was received by Council on 29 April 2020 for consideration.
- Cranky Rock reopened to the public on Monday 1 June 2020. The Reserve has been very busy with many travellers choosing to stay whilst waiting for the Queensland border to open.

Swimming Pools

During the 2018/2019 swimming season Council introduced a Heat and Dry Initiative which gave free entry to Bingara and Warialda Swimming Pools. Free entry was determined when the predicted temperature was 37 degrees and above, as issued by the Bureau of Meteorology, Moree.

This initiative continued into the 2019/2020 season and proved to be very successful with increased patronage at both pools and expanded Learn to Swim programs.

Council's initiative however, also created an anomaly with regard to Swimming Pool Season Tickets and the benefits attached to them. This has occurred over both the 2018/2019 and 2019/2020 swimming seasons. As such, Council arranged for season ticket holders to be reimbursed with Gwydir Dollars in the form of a Why Leave Town gift card.

In January 2020 defibrillators were purchased and installed at both public pools and February saw all of the electrical equipment at both pool complexes tested and tagged under the regular maintenance program.

Council purchased an inflatable obstacle course through the Drought Stimulus – Regional School Holiday Activities grant. Warialda Swimming Pool hosted a very successful fun day on Saturday 15 February with approx. 350 – 400 people in attendance from across the region. Council provided free entry for the day. Unfortunately, due to COVID-19 a similar planned day in Bingara had to be cancelled.

Warialda Swimming Pool

Warialda Swimming Pool opened a week earlier this year on Saturday, 28 September 2019 with a pool water temperature of 22 degrees. This is due to new heating infrastructure, which was recently installed, much to the delight of residents.

In January 2020, Warialda Swimming Pool held a special “Australia Day Pool Party” which was organised by the Warialda Christmas Party Committee. In June 2020, the existing acid room was replaced as it was no longer compliant with Australian Standards.

The Warialda Swimming Pool Complex closed Sunday 22 March, also due to COVID-19 restrictions.

Bingara Swimming Pool

In September 2019, the precinct was ‘spring cleaned’ which saw the placement of new rubbish bins, repairs to seating, new table and chairs purchased for the paved covered area, repairs to the covered area, repairs to shade over wading pool, glass display cabinet removed from entry, rainwater tank stand removed, trees trimmed, lawns fertilised and weeds sprayed. This greatly improved the presentation and amenity of the precinct.

In October 2019, the pool cleaner used at the Bingara precinct required urgent repair. The Bingara Swimming Pool complex closed on Friday 20 March due to the restrictions in place during COVID-19. Although the pool closed early the lessee has been assisting Council, doing various tasks as required.

Bingara Pool Precinct Project – construction of splash program pool, 25 metre pool and activity centre at Bingara Swimming Pool Complex.

Tenders for the design and construction of a new Splash Program Pool and 25 Metre Pool in Bingara were advertised on 28 November 2019. Tenders for this project closed on 28 January 2020 and contracts were executed on 8 April 2020.

Demolition of the Bingara swimming pool commenced on Monday 11 May 2020.

Due to safety reasons, the pool pump house had to be demolished and will be replaced as a part of this project.

Formwork, including the installation of screw piers, commenced on Thursday 11 June 2020. Screw piers were installed to achieve the bearing capacity of the pool as the soil could not achieve the required bearing capacity.

The project is currently on track to be completed in November 2020.

Property Management

Council has 29 properties which it leases out and manages throughout the Local Government Area. Council also leases St Mary’s School in Riddell Street Bingara and sub leases areas of the building to ensure community and legal services are available locally.

Medical Centres

In September 2019 the construction of a carport was completed at the Bingara Medical Centre. Council acknowledges the generous donation by Dr Neil Wearne for this structure.

During the reporting period the 84 Finch Street doctor's residence in Bingara was renovated. The renovation included installation of a dishwasher, replacing the back sliding and front security door, painting of the bathroom ceiling, installation of a blind over the back sliding door, removal of old curtain fittings, installation of air conditioning in the main bedroom, and replacement of the garage roller door, and installation of carpet in the lounge room.

In October 2019, a reverse cycle air conditioning unit was installed at the Warialda Medical Centre in the acupuncture treatment room. Also, in October window blinds were installed at the Bingara Medical Centre. In addition, minor repairs were undertaken, and safety and directional signage was erected. This assisted the medical practice's accreditation process.

During November and December 2019, two medical students in receipt of the NSW Rural Doctors' Network Bush Bursary were placed at the Bingara and Warialda Medical Centres, Moree Aboriginal Medical Service and Bingara and Warialda Multi-Purpose Centres. Council assisted these students by providing them with accommodation at the Bingara and Warialda Caravan Parks.

In March 2020, Council donated \$3,000 to the Bingara Medical Centre for the purchase of new equipment in accordance with Council's current adopted donations budget.

In April 2020, Council purchased sneeze guards for customer service staff and reception areas for Bingara Medical Centre, Warialda and Bingara Council offices, Centrelink, and RMS offices to give extra protection during the COVID-19 pandemic. Warialda Medical Centre declined the offer of having sneeze guards installed on the front counter.

In June 2020, automatic entry doors were fitted to the Bingara Medical Centre.

Community Housing Units and Caravan Park Permanent Residents

Permanent Caravan Park residents saw a rent increase from 1 July 2019.

Since COVID-19 restrictions were first implemented Council staff regularly telephone each resident (or their carer) who live at Whitfeld Place, the Plunkett Street and Holden Street units and the Bingara Caravan Park, to 'check in' and to ensure that they are alright and to offer assistance when needed.

Council staff have installed new bench seats in the rotunda at the front of Whitfeld Place in Bingara to give residents a sheltered outdoor space to enjoy.

Rural Aid Australia - My Town Nomination

Council submitted a My Town nomination under Rural Aid Australia's Sustainable Community Program. Council could not choose one of its communities over another, so it nominated the Shire as a whole. Although unsuccessful the nomination involved written and video components which were undertaken and completed by several staff in a professional manner.

Memorial Seat at Batterham's Lookout

In May 2020, Council staff installed a memorial bench seat on behalf of the family of Gordon and Shirley Smith at Batterham's Lookout, at the family's cost. The bench has been popular with local fitness fanatics and visitors to the lookout, who now have somewhere to rest and look at the magnificent view.

Why Leave Town Gwydir Gift Card Program

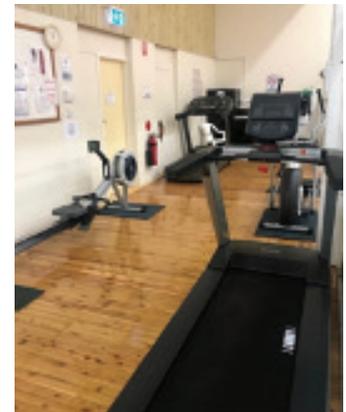
During May, the Gwydir Gift Card program was launched in the Shire. Warialda and Bingara Council offices are “load up” sites for the card where community members can purchase the cards for gifts, prizes etc.

The benefit of this program is that the moneys loaded onto the cards can only be spent in the Gwydir Shire area at the participating businesses.

To date, over twenty local businesses have signed up to the program. Council has used the cards for prizes in the “My Life Through a Lens Challenge” photographic competition and to reimburse pool season ticket holders.

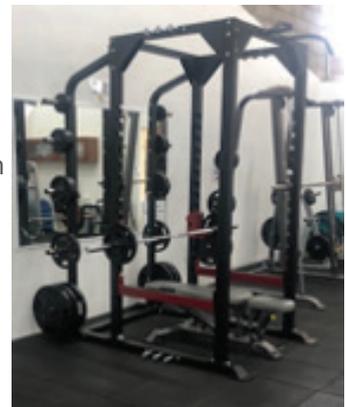
Gwydir Fitness Centre Annual Report

Gwydir Shire Council operates and maintains two community fitness centres. The Gwydir Fitness Centres are 24-hour centres open for public membership. The Warialda centre is located next to the Warialda Library at 38 Hope Street and the Bingara centre is in the Bingara Sporting Club Squash Courts, 8 Bombelli Street. The Fitness Centres are community facilities managed by Gwydir Shire Council. Members have access to electronic entry via a fob swipe entry system and there are cameras installed to provide security for members. The Gwydir Fitness Centres contain a separate weight training, cardio, aerobics, and boxing area. These facilities are available to the community and visitors on a casual, monthly, or six-monthly membership.



The aim is to provide the communities with a facility to help promote a healthy and active lifestyle, while also having the facility available to those who are working on rehabilitation or just keeping mobile.

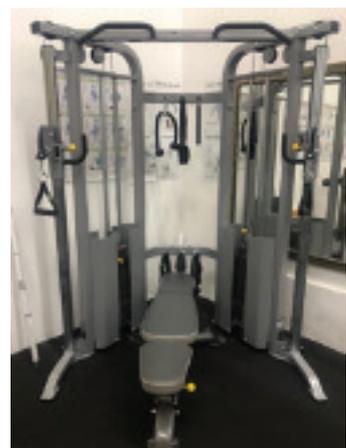
In 2019/2020, both facilities were holding steady with 50+ members each at any given time. However, due to the COVID-19 pandemic the facilities had to close on 23rd March under the directive of the Public Health order introduced. The fitness centres were able to open again on 2nd June. Memberships were put on pause and reinstated once operations recommenced.



New/replacement equipment for the financial year included the introduction of the power rack and straight bar to the Bingara facility as a trial and Council intends to install one in Warialda the following year. In the Warialda facility the old cable machine was retired and replaced with a new one. A new commercial treadmill was also purchased for the Warialda facility.

The Warialda Fitness Centre also had a new split system air conditioning installed. This was installed by Council’s Building Services team.

The friends of the Bingara Fitness Centre raised funds and donated new blinds for the cardio room at the Bingara facility and were presented with an appreciation certificate that now hangs in the Cardio room.





Our Achievements in Delivery of Agency Services

Services NSW

Services NSW Continues to operate out of two main centres, Bingara on Monday and Thursday and Warialda on Tuesday, Wednesday, and Friday.

The services on offer through these branches include driver licence transactions, vehicle registration transactions, driver testing, boating licences and vessel registrations, contractor licence applications, applications for birth, death and marriage certificates, Seniors Card applications, birth registrations, lodgement of Fair Trading forms, owner builder permits, Working with Children Check, National Heavy Vehicle work diary and photographic advice for Firearm licences.

During the 2019/2020 reporting period the Bingara branch undertook 2885 transactions, slightly up on last year and Warialda 4502.

COVID-19 required several changes to be made to the service to ensure the safety of customers and staff. Staff continued to service the public uninterrupted despite the challenges. Agency operators are very well suited to the delivery of an excellent customer experience and consistently provide such service within the regulatory operating parameters.

Our Achievements in Work Health and Safety and Risk Management

Work Health and Safety

Work Health and Safety Management System review

Safety management systems can make a big difference to any business. Using a safety management system however, no matter how thorough and systematic it may be, is not sufficient to guarantee sustained safety performance.

A review of Council's WHS Management System continued during this reporting period. For a system to work properly it is necessary to develop organisational cultures such as 'thinking the unthinkable' and being intrinsically motivated to be safe, even when there seems no obvious reason to do this.

The review will involve redrafting the Management System and consultation to develop Management Plans for all business units so that it aligns to the current Australian Standard, AS/NZS 4801.

This type of management system is used to demonstrate, internally and externally (via third party certification), that Council is systematically and effectively controlling the risks to all persons affected by Council's activities.

Risk

Statewide Mutual

Council's insurer, Statewide Mutual was created in 1993 in response to NSW Councils' volatile risk portfolio which lead to spiralling insurance premiums and ultimately resulting in underwriters withdrawing their support to Local Government.

The Mutual is owned by 115 NSW Councils and run in accordance with the NSW Local Government Mutual Liability Scheme. It is managed by the Statewide Board of Management (the Board). The Board comprises senior level managers from Member Councils representing 11 regions in NSW and the Mutual is managed by Jardine Lloyd Thompson.

Insurance costs

Insurance Class	2020/2021	2019/2020
Environmental Impairment Liability	\$55,599.50	\$56,295.00
Personal Accident	\$3,962.48	\$3,626.00
Workers Compensation Top up	\$2,866.75	\$3,795.00
Accumulated Sick Leave	\$10,159.91	\$10,657.00
Casual Hirers Liability	\$5,065.58	\$4,521.00
Councillors and Officers Liability	\$38,185.76	\$34,083.00
Crime	\$10,914.38	\$9,005.00
Motor Vehicle	\$187,397.93	\$182,126.00
Property	\$309,632.88	\$290,512.00
Public Liability-Professional Indemnity	\$207,935.63	\$174,642.00
Totals exc. GST	\$832,217.89	\$769,262.00

Project Management

Climate Change Adaptation Plan

Staff across several business units including Risk have developed a Climate Change Adaptation Plan.

The objective of the Climate Change Adaption Plan is to deliver adaptation actions that address the adverse impacts of climate change and to build resilience within the Council and the community.

Climate change adaptation is about increasing resilience to climate change and its effects. It aims to reduce harm and vulnerability and make use of opportunities. Adaptation makes us better prepared for a future of increased heat, flood, bushfire and drought, and gradually changing temperature and rainfall averages. It is hoped that the plan will be considered by Council in the near future.

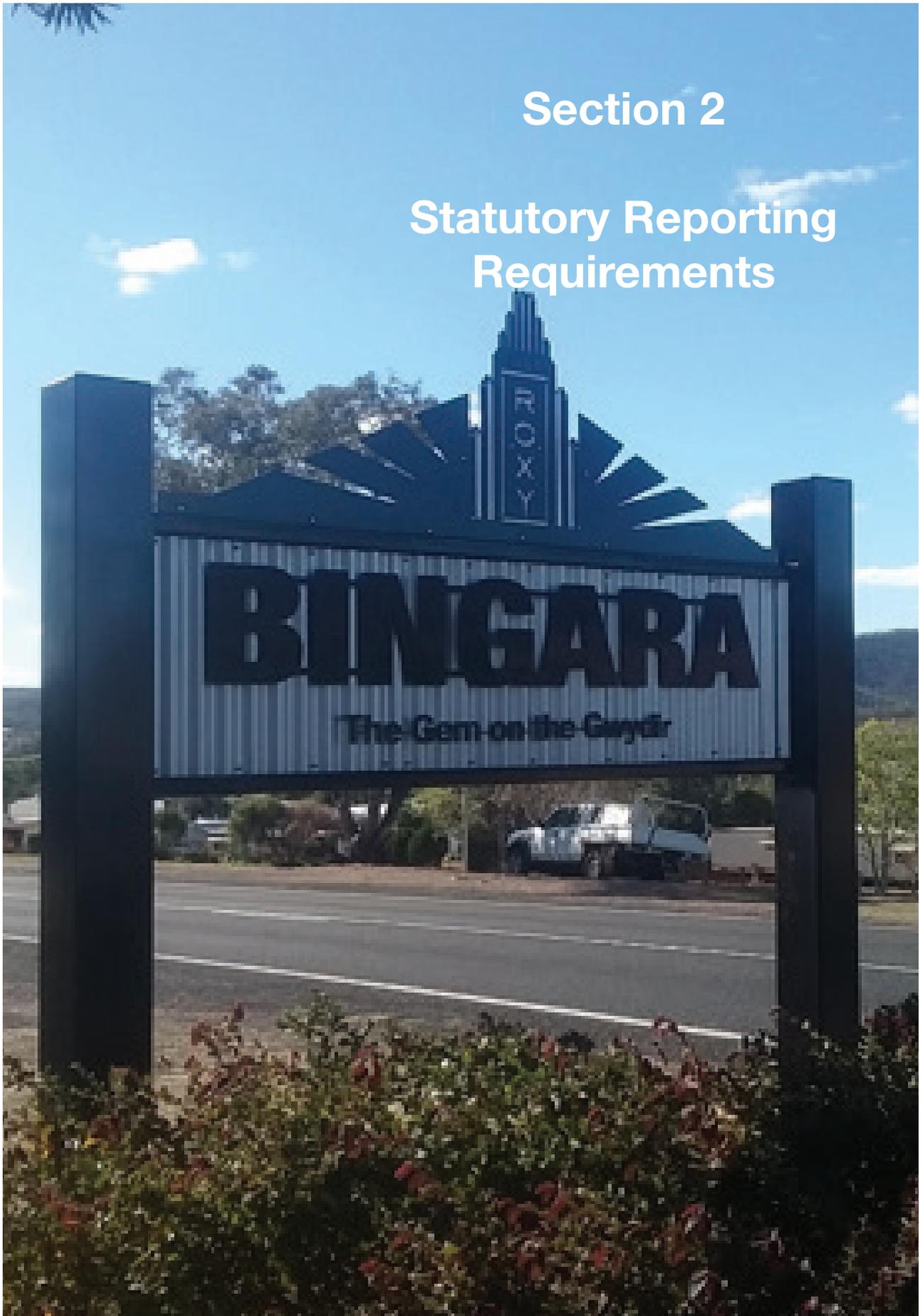
The actions from this plan have been assigned to the relevant responsible officers and have been aligned timeframes for completion. These actions have been included in the Interplan program and are required to be reported to Council quarterly.

Grants project management, risk management and acquittals

Staff have been heavily involved in carrying out project management of specific grants projects, developing risk management documentation and reporting/acquittals of many projects as part of a large team within Council tasked with delivering the grant projects.

Section 2

Statutory Reporting Requirements



Amount of rates and charges written off during the year

Amount of rates and charges written off during the year

Amount of Rates and Charges Written Off in 2019/2020 Year				
Rate Classification	Rebate Given	Govt	Council	Total (\$)
General Rates	Pensioner Farmland	\$ 7,730.41	\$ 6,324.82	\$ 14,055.23
	Pensioner General	\$ 43,329.55	\$ 35,451.36	\$ 78,780.91
		\$ 51,059.96	\$ 41,776.18	
Water & Sewer Rates	Pensioner Water	\$ 23,843.46	\$ 19,512.79	\$ 43,356.25
	Pensioner Sewerage	\$ 20,426.94	\$ 16,716.81	\$ 37,143.75
Waste Charges	Pensioner Domestic Waste & Disposal	\$ 19,415.99	\$ 15,885.88	\$ 35,301.87
	Pensioner Waste Management	\$ 15,065.26	\$ 12,326.23	\$ 27,391.49
		\$ 34,481.25	\$ 28,212.11	
	Total Claim	\$ 129,811.61	\$ 106,217.89	\$ 236,029.50
			\$ 106,217.89	

Councillor Expenses

Details of overseas visits by Councillors, Council staff or other persons representing Council (including visits sponsored by other organisations)

There were no overseas visits by Councillors, Council staff or other persons representing Council during this reporting period.

Total cost during the year of the payment of expenses of, and the provision of facilities to, Councillors in relation to their civic functions.

There were no expenses in the 2019/2020 reporting period relating to the payment of expenses of and provision of facilities to councillors in relation to the civic functions.

Provision of dedicated office equipment allocated to Councillors

The total amount of expense relating to office equipment was for provision of Mobile Phones and iPads with a total cost of \$6951.79.

Telephone calls made by Councillors

Council does not pay the cost of telephone calls for elected members.

Attendance of Councillors at conferences and seminars. Training of Councillors and provision of skill development (including interstate visits)

The total cost for the 2019/2020 year for Councillor skills development was A break-up of these costs is provided in the table below:

Details	Amount
Air Travel	\$12,834.65
Course Seminar & Conference Registration	\$5,143.63
Overnight Travel Expenses	\$5,086.34
Plant Hire for travel to Seminars & Conferences	\$14,060.56
Travel Accommodation	\$7,957.05
Grand Total	\$45,082.23

List of interstate visits and number attending

There was only one interstate visits made by Councillors in 2019/2020 details are included in the table below:

State	Purpose	No Attending
SA	National Local Roads and Transport Congress	6

Expenses involved in the provision of care for a child or an immediate family member of a Councillor.

There were no expenses involved in the provision of care relating to a Councillor during this period.

Details of contracts awarded by Council

Gwydir Shire Council awarded seven (7) contracts exceeding \$150,000 during 2019/2020. Total value of contracts exceeding \$150,000 during this reporting period is in excess of \$2,493,090

Gwydir Shire Council - Class 1 Contracts		
Name of Contractor	Purpose of Contract	Actual Expenditure Ex GST
NJ Cobb Construction (Nathan John Cobb)	Redevelopment of Naroo Kitchen Hostel.	\$381,725.42
A&R Refrigeration and Air Conditioning	Design, Supply and Installation of Air Conditioning to the Warialda Town Hall	\$185,078.53
Fulton Hogan	Provide a full bitumen spray sealing service for state, regional and local roads within GSC	\$332,834.14
BMR Quarries Pty Ltd T/as Roadwork Industries	Full mill and fill / overlay asphalt service for state roads and public parking areas	\$522,836.97
Lachlan Hall Construction	To construct a washdown ramp and sludge separator fro truck wash facility adjacent Warialda HPV Route	\$105,151.04
Cleanaway - Waste Management Solutions	Waste collection and processing	\$383,551.00
Origin Energy	Electricity supply to Gwydir Shire Council small sites	\$397,306.00
ERM Power	Electricity supply to Gwydir Shire Council large sites	\$184,607.00
ERM Power	Electricity supply to Gwydir Shire Council streetlights	not yet completed
AGL Gas and Electricity	Electricity supply to Gwydir Shire Council small sites	not yet completed
Roger Moore Pty Ltd	Supply and delivery of bulk fuels	not yet completed
Beau Corp Projects Pty Ltd	Design and construction of Bingara Swimming Pool splash park program and associated works	not yet completed
Beau Corp Projects Pty Ltd	Design and Construction of 25m swimming pool at Bingara Swimming Complex and associated works	not yet completed
Total		\$2,493,090.10

Summary of the amounts incurred by the Council in relation to legal proceedings

There was one legal action against Council during the 2019/2020 period. This action is ongoing and relates to a challenge in the Land and Environment Court to Council's approval of DA 2018/00013. The legal costs during the 2019/2020 are \$45,801.80 including GST.

Summary of resolutions made under Section 67 concerning work carried out on private land.

Description	Number
Building Maintenance	0
Concrete Footing	0
Footpath Repairs	9
Grading Access Road	26
Hire of Staff	3
Light Upgrade	1
Transport equipment	8
Plant Hire	36
Private Works for RFS	5
Private work for SES	1
Private Works for Schools	0
Refurbish Street Furniture	0
Repair to Hire Plant	1
Reseal Driveway	5
Sale of Emulsion	4
Sale of Gravel	4
Sale of Mulch	0
Sale of Signs	3
Supply of traffic Control	3
Water Delivery	391
Total Value of private works	\$ 73,487.10

Weed control was part of funded regional activities for intensive weed control and eradication and containment. The weeds targeted were Mother of Millions and Tropical Soda Apple. All projects were full cost recovery.

Total amount contributed or otherwise granted under section 356 (financially assist others)

There was a total of \$90,322.22 donated under Section 356. The table below includes information on the donations granted:

2019/2020 Donation	
Organisation	Amount
All junior and school sports plus community groups	\$5,000.00
Anglican Church, North Star	\$763.00
Bingara Bullets Rugby League Club	\$800.00
Bingara Radiance Club	\$2,289.00
Catholic Church, Presbyterian, St Joseph's Primary School and Convent	\$11,118.00
CWA North Star	\$1,362.50
CWA Warialda	\$2,834.00
Gravesend Showground	\$155.87
Gwydir Rugby Club	\$800.00
Presbyterian Church Warialda	\$1,629.55
Salvation Army Bingara	\$1,471.50
Scots Presbyterian Church, Bingara	\$1,199.00
St Johns Anglican Church, Bingara	\$2,943.00
St Mary's Catholic Church, Bingara	\$4,360.00
St Simon and Jude's Anglican Church, Warialda	\$2,125.50
Uniting Church, Bingara	\$1,253.50
Unleash The Black Dog Ball	\$800.00
Bingara Central School	\$4,360.00
Waiving Development Appln and other fees	\$1,000.00
Warialda P & A Association	\$7,684.50
Warialda Preschool	\$2,180.00
Warialda Rail Recreation Reserve	\$539.55
Totals	\$56,668.47

Donations < \$1,000	
Organisation	Amount
Upper Horton Rodeo and Campdraft	\$545.00
Warialda Sports Council Awards	\$381.50
Bush Bursary NSW Doctors' Network	\$272.50
Bingara Sporting Club Awards	\$381.50
Warialda Rugby League Football Club	\$545.00
Bingara Bullets Rugby League Football Club	\$545.00
Bingara Missiles League Tag	\$327.00
Warialda High School	\$517.75
Bingara Central School	\$708.50
Warialda Primary School	\$327.00
St Josephs Primary School	\$327.00
Gravesend Primary School	\$327.00
North Star Primary School	\$327.00
Croppa Creek Primary School	\$327.00
Warialda Ladies League Tag	\$327.00
Unallocated	\$7,194.00
Totals	\$13,379.75

Donations > \$1,000	
Organisation	Amount
Bingara Orange Festival	\$5,450.00
Gwydir Art Prize (Subject to being held)	\$2,725.00
Friendly Faces Helping Hands Foundation	\$1,090.00
Warialda Historical Society (Previously considered by Council)	\$6,540.00
Warialda Rotary	\$1,199.00
Bingara Medical Centre	\$3,270.00
Totals	\$20,274.00

Statements of all corporations, partnerships, trusts, joint ventures, syndicates or other bodies in which Council held a controlling interest.

Gwydir Shire Council did not hold a controlling interest in any corporation, private company, partnership, trust, joint venture, syndicate or any other body in the year ending 30 June 2020.

Statements of all corporations, partnerships, trusts, joint ventures, syndicates or other bodies in which council participated.

The Council is involved in several co-operative arrangements with a non-controlling interest in the following entities:

- Fossickers' Way Promotion Committee
- Local Government NSW
- Traffic Committee
- Regional Tourism Committee
- Bush Fire Liaison (Service Level Agreement) Committee
- Border Regional Organisations of Councils
- Arts North West
- Namoi Joint Organisation
- New England Joint Organisation (Associate Membership)
- New England North West Regional Advisory Committee (Multicultural Advisory Group)
- Country Mayor's Association
- StateCover Mutual
- Statewide Mutual
- Central Northern Regional Library and Information Service

Statement of all external bodies that exercised functions delegated by Council.

To better engage the community and reflect local community views and needs, Gwydir Shire Council delegates a range of its functions to volunteer committees:

- Bingara Historical Society
- Gravesend Community Group
- Naroo Advisory Committee
- Bingara Anglers' Club
- Bingara Showground Committee
- Bingara Special Events
- Warialda Tourism Committee
- Warialda Historical Society
- Coolatai Sportsground Committee
- North Star Hall Committee
- Croppa Creek Hall Committee
- Yallaroi Hall Committee
- Crooble Hall Committee
- Croppa Creek Hall Committee
- Warialda Rail Community Committee
- Warialda Cultural Community Centre – Carinda House
- Warialda Sports Council
- Warialda PreSchool
- Gwydir Health Alliance

Equal Employment Management (EEO)

Gwydir Shire Council is committed to the principles of EEO. It aims to provide a work environment that fosters fairness, equity, respect for social and cultural diversity, and is free from unlawful discrimination, harassment and vilification as determined by the legislation.

In fulfilling this commitment, Council:

- Fosters an organisational culture which recognises and respects the diversity in the social and cultural backgrounds of all staff and customers
- Provides equal opportunity by removing barriers to participation or progression in employment
- Safeguards merit-based systems of transparency so that decisions are made without bias
- Provides training to create an environment that promotes and supports transparent decision making
- Strives to ensure fair outcomes in all areas of employment, including recruitment, training and development, promotion, transfer, supervision and management of staff, access to information and conditions of employment
- Provides a workplace where all staff and customers are treated with respect and courtesy
- Clearly defines what is regarded as acceptable and unacceptable workplace behaviour

Gwydir Shire Council demonstrates its commitment to the principles of EEO through the development of processes to eliminate any potential discrimination, harassment or bullying in the workplace. Existing policies and induction programs highlight the importance of treating all staff and customers with respect and reinforce that discrimination in any form will not be tolerated.

Gwydir Shire Council also demonstrates a commitment to EEO principles through the development of systems and processes for recruitment and promotion. All decisions made regarding recruitment and promotion are based on merit not influenced by gender, disability, race, age, religion or any other attribute.

For existing employees, Gwydir Shire Council is committed to providing a supportive and inclusive workplace where decisions are made equitably without any discrimination.

During this reporting period a Draft EEO Management Plan has been developed through consultation with key stakeholders.

Council has several trained EEO Contact Officers who have been trained by the Anti-Discrimination Board of NSW to assist with the application of EEO policies and procedures and provide support and guidance to staff.

Statement of the total remuneration comprised in the remuneration package of the General Manager

General Manager Remuneration Package

Item	Amount (\$)
Salary	346446.75
Superannuation	32580.12
Non Cash Benefits	20800.16
FBT	0
Total Package	399827.03

Senior Staff Members Remuneration Package

Not applicable. The only staff member classified as Senior Staff is the General Manager.

Stormwater Management Services

Council levied a Stormwater Management Service Charge (SWSC) of \$25 per residential property, \$12.50 for residential strata lots, and \$25 per 350sq.m for business properties capped at a maximum charge of \$1,000. The total received funds in the 2019/2020 financial year was \$39,375. Council's stormwater works program for the financial year included routine repairs, cleaning of gross pollutant traps and removal of debris from grates and inlets.

Coastal Protection Services Provided

Not applicable. Council did not levy any charges for coastal protection services.

Report on Capital Works Projects

Bingara Pool Precinct – In progress to be submitted

Splash Program Pool - \$712,939.50

25 Metre Pool - \$1,336,954.80

Activity/Kiosk - \$438,661

Total - \$2,488,555.30

Swimming Pool Inspections

Building Services have a private swimming pool inspection program in place where all known swimming pools in Gwydir Shire are inspected once every three years. The program is designed to ensure owners of private swimming pools maintain their pools and pool barriers in an effective manner to ensure the safety of all pool users. In the 2019/20 financial year Council inspectors carried out 33 pool inspections and issued 33 swimming pool compliance certificates.

The 2019/20 financial year saw the commencement of the 2nd round of the 3-year rolling program for inspections which means that all known swimming pools within Gwydir Shire have now been inspected at least once. The program will continue to be undertaken on a yearly rolling basis as required by the NSW Government.

COMPANION ANIMALS ACT 1998 and COMPANION ANIMALS REGULATION 2008

Statement of Activities Companion Animals Act 1998 and Regulation 2008

Companion Animals management

Gwydir Shire Council employs two Regulatory Officers who are responsible for administering the Companion Animals Act 1998. The officers patrol the region to provide companion animal owners with support, education, and regulation. A summary of the activities undertaken in 2019/2020 are listed below.

Pound data / Collection returns

Council reports annually on impounded animals in the Gwydir Shire region. This information is provided to the Department of Local Government, and forms part of the Survey of Council Seizures of Cats and Dogs. Council lodged its pound data collection return for the period. A brief summary of the pound data collections for the year is presented in the table below.

ACTIVITY	CATS	DOGS
Total Animals Seized	0	34
Returned to owner	0	5
Impounded	0	29
Surrendered	0	0
Released to Owners	0	5
Rehomed	0	17
Stolen/Break out	0	1
Euthanised unsuitable for rehoming	0	11
Euthanised unable to rehomed	0	0
Euthanised feral	16	0

Nuisance Orders

One dog was put on a 6-month Nuisance Order for escape and chase issue. It has now expired.

Menacing Dog Declarations

Two menacing dog declarations was issued for the period. One for an attack, the other for habitual roaming and attack.

Five dogs residing at other properties remain on a menacing dog declaration from previous years for attacks.

Dangerous Dog Declaration

One dangerous dog declaration was issued for an attack.

Nuisance Dog	Menacing Dog	Dangerous Dog	Restricted by breed	Total
1	7	1	0	8

Registrations

	2020 ID Microchip Only	2020 Registered	Total
cat	299 (+17)	163 (+8)	462 (+25)
dog	2778 (-8)	1608 (+52)	4386 (+44)
Total:	3077 (+9)	1771(+60)	4848 (+69)

The top ten registered breeds in The Shire

Dog

Breed	Registered
Australian Kelpie	302
Jack Russell Terrier	256
Labrador Retriever	161
Australian Cattle Dog (Blue)	133
Border Collie	126
Unknown	97
Maltese	90
Chihuahua (Smooth)	86
Beagle	72
Dachshund (miniature)	70

Breed	Registered
Domestic	291
Ragdoll	37
Birman	19
(Other)	14
Burmese	11
Domestic (other)	10
Russian Blue	9
Persian	7
Siamese	6
Unknown	6

73 Dogs and Cats were registered in the Shire for the period for a total of \$2,508.00 up 19 animals and \$156 from last year.

Dog Attack Statistics

Known dog attacks reported and investigated by Council's Regulatory officers are entered into the Companion Animals Database, in accordance with the requirements of the Companion Animals Act 1998. During 2019/2020 there were 6 incidents involving 8 dogs reported to Council. All incidents were investigated and reported through the Companion Animals Database portal. All incidents were resolved.

Funds spent on Companion Animal management and activities

Funding spent by Council in 2019/2020 totaled \$ 147,705. This figure includes the employment of Regulatory officers, the operation and maintenance of Council's Companion Animal Impounding facility, as well as educational and awareness activities.

Strategies to reduce euthanasia rates

Council operates a Facebook page and eligible impounded animals are advertised for rehoming. This allows the community to view and share that information and reach a wider audience. A new partnership with an interstate rehoming organisation was developed. This is in addition to the other organisations within NSW, who assist with rehoming companion animals that are not rehomed locally. They are picked up by these organisations and taken to larger population centres for rehoming. A total of eleven dogs have been euthanised as they were unable and unsuitable to be rehomed. All the euthanised cats were feral cats.

Off leash areas

Council provides five designated off leash areas in the region.

Signage is erected at all the Off-leash areas.

Bingara - Bicentennial Park including part-Bingara River Common-crown reserve area under council management and All Nations Hill, Hill Street, Bingara.

Warialda - Pioneer Cemetery Park and Long Street Triangle Park corner of Long and Mosquito Creek Road (triangle reserve)

Gravesend - Off leash Reserve Gwydir Street Gravesend



Government Information (Public Access) Act 2009 and Regulation Information included on GIPA Activity

During the 2019/2020 period, Council received two requests under the Government Information (Public Access) Act, 2009. Both were dealt with in the period required and the information requested was provided.

Environmental Planning and Assessment Act 1979

Particular of compliance with and effect of planning agreements in force during the year.

There were no Planning Agreements in force during this reporting period.

PUBLIC INTEREST DISCLOSURE ACT 1994 AND REGULATION

No disclosures were made during the reporting period. Council's Privacy Management Plan is available at www.gwydirshire.com to view or download. During the reporting period Council had planned to engage NSW Ombudsman staff to undertake training of Council employees. Twice this training was postponed, due to fires and COVID-19. When this training is complete, and employees are appointed as PID officers then Council will review its policies.

Carers Recognition Act 2010

The relationship between carers and the persons for whom they care is recognised and respected within the Gwydir Shire. Carers are considered to be partners with all other care providers in the provision of care and are treated with dignity and respect.

Gwydir Shire acknowledges the important role carers play within the community and aims to provide timely and appropriate support. Aged Care within the Gwydir Shire involve carers in the ongoing health management by way of inclusion in Case Conferences and being consulted about new program proposals that are directed to carers or the person they care for.

The new Aged Care Standards incorporate the importance of Carers in the industry and it is expected that organisations partnership with the consumer and their carer/s. Consumers Dignity and Choice is supported by allowing consumers to make decisions about when family, friend's carers or others should be involved in their care. Consumers often continue to receive care and support from unpaid carers when entering residential care such as family and friends. These people have been supporting the consumer over a period of time, before they accessed care and services and continue to be recognised by the Gwydir Shire Council.

Gwydir Shire seeks input and feedback from consumers and their carers and has access to various methods for raising and resolving complaints. This feedback is actively reviewed, and the service is improved as appropriate.

Staff awareness and education is available through various programs such as Dementia Australia and Golden Carers. Staff also have access to webinars providing information and education on programs such as the new Integrated Carer Support Service Model.

Commonwealth Home Support Program (CHSP) services celebrate Carers week. Carers are also involved in our Disability Inclusion Committee undertaking a consultative role.



Naroo Frail Aged Care facility continues to recognise family and carers on a monthly basis by holding a BBQ each month to celebrate the resident's birthdays and inviting them to attend.

Work continues on implementation of Dementia Friendly communities within the shire. The Dementia Friendly Committee was integrated with the Disability Inclusion Committee during this year which brought strength and increased scope to the combined committee. This committee is made up of people in the community who are interested in helping to make their community or town more disability and dementia friendly.

Disability Inclusion Act 2014

The Gwydir Shire Council recognises that people with a disability have the right to exercise choice and control in the pursuit of their goals and the planning and delivery of their support and services. The aim is to provide people with disability opportunities for access and participation, consistent with that provided to other community members.

Council has developed its Disability Inclusion Plan and has built the actions in this plan into Delivery Program Actions. We continue to plan to address the issues that we need to as an organisation to ensure that people with a disability in our community are not disadvantaged.

During this reporting period Council was successful in seeking funding for an all abilities recreational area adjacent to the Warialda MPS and Naroo Aged Care Facility. This recreation area will provide an exciting recreational space for people of all abilities. The space was designed utilising the Everyone Can Play Principles developed by the NSW Government.

In developing this park Council has demonstrated its commitment Gwydir Shire to implementing the Act by way of constructing a recreation/play space for people of all abilities. The design includes wide paved walkways, wheelchair friendly, access to raised garden beds and access to a wheelchair swing. This specific equipment has been incorporated with gym equipment and playground equipment ensuring that all community members have the opportunity to access these facilities together.

Also included in the design is varied styles of seating, outdoor music equipment, passive recreation turf spaces and a native plantings of bird attracting plants.

The All Abilities Park was officially completed this year and continues to provide a wonderful recreation space for people of all ages and abilities. The design of the space also lends itself to being a recreation space for outdoor performances such as the Army Band that visited Warialda and played in the park to the enjoyment of all.

Fisheries Management Act 1994

Gwydir Shire Council has not been identified as responsible for the implementation of measures in any Recovery Threat Abatement Plan.



**Section 3
Copy of Audited
Financial
Statements**



Gwydir Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2020

General Purpose Financial Statements

for the year ended 30 June 2020

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Overview

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

33 Miatland Street
Bingara NSW 2404

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.gwydirshire.com.

General Purpose Financial Statements

for the year ended 30 June 2020

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

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

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

General Purpose Financial Statements
for the year ended 30 June 2020

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

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

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

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

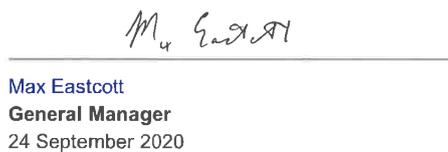
- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 24 September 2020.


Cr John Coulton
Mayor
24 September 2020


Cr Catherine Egan
Councillor
24 September 2020


Max Eastcott
General Manager
24 September 2020


Helen Thomas
Responsible Accounting Officer
24 September 2020

Income Statement

for the year ended 30 June 2020

<i>Original unaudited budget</i> 2020	\$ '000	Notes	<i>Actual</i> 2020	<i>Actual</i> 2019
	Income from continuing operations			
10,725	Rates and annual charges	3a	10,548	10,314
3,328	User charges and fees	3b	3,467	3,495
3,674	Other revenues	3c	4,147	4,166
11,755	Grants and contributions provided for operating purposes	3d,3e	10,332	9,709
2,678	Grants and contributions provided for capital purposes	3d,3e	2,869	5,114
179	Interest and investment income	4	153	263
460	Net gains from the disposal of assets	6	–	–
–	Reversal of revaluation decrements / impairment of IPP&E previously expensed	5d	1,986	–
320	Rental income	12c	329	–
33,119	Total income from continuing operations		33,831	33,061
	Expenses from continuing operations			
12,292	Employee benefits and on-costs	5a	12,366	11,607
520	Borrowing costs	5b	632	615
8,546	Materials and contracts	5c	6,595	6,503
7,991	Depreciation and amortisation	5d	8,259	8,265
3,019	Other expenses	5e	2,316	2,120
–	Net losses from the disposal of assets	6	2,576	120
32,368	Total expenses from continuing operations		32,744	29,230
751	Operating result from continuing operations		1,087	3,831
751	Net operating result for the year		1,087	3,831
751	Net operating result attributable to council		1,087	3,831
(1,927)	Net operating result for the year before grants and contributions provided for capital purposes		(1,782)	(1,283)

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

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

Statement of Comprehensive Income

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
Net operating result for the year (as per Income Statement)		1,087	3,831
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	10	1,937	342
Total items which will not be reclassified subsequently to the operating result		1,937	342
Total other comprehensive income for the year		1,937	342
Total comprehensive income for the year		3,024	4,173
Total comprehensive income attributable to Council		3,024	4,173

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

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

Statement of Financial Position

as at 30 June 2020

\$ '000	Notes	2020	2019
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	3,936	3,787
Investments	7(b)	7,631	8,606
Receivables	8	2,549	1,894
Inventories	9	798	804
Contract assets	11a	921	–
Other		39	–
Total current assets		<u>15,874</u>	<u>15,091</u>
Non-current assets			
Infrastructure, property, plant and equipment	10	412,087	410,006
Right of use assets		–	–
Total non-current assets		<u>412,087</u>	<u>410,006</u>
Total assets		<u>427,961</u>	<u>425,097</u>
LIABILITIES			
Current liabilities			
Payables	13	3,645	3,578
Contract liabilities	11b	1,571	–
Borrowings	13	1,180	1,274
Provisions	14	2,853	2,725
Total current liabilities		<u>9,249</u>	<u>7,577</u>
Non-current liabilities			
Borrowings	13	7,085	8,266
Provisions	14	3,904	3,842
Total non-current liabilities		<u>10,989</u>	<u>12,108</u>
Total liabilities		<u>20,238</u>	<u>19,685</u>
Net assets		<u>407,723</u>	<u>405,412</u>
EQUITY			
Accumulated surplus	15	278,105	277,731
Revaluation reserves	15	129,618	127,681
Council equity interest		<u>407,723</u>	<u>405,412</u>
Total equity		<u>407,723</u>	<u>405,412</u>

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

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

Statement of Changes in Equity
for the year ended 30 June 2020

\$ '000	Notes	as at 30/06/20			as at 30/06/19		
		Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus	IPP&E revaluation reserve	Total equity
Opening balance		277,731	127,681	405,412	273,900	127,339	401,239
Changes due to AASB 1058 and AASB 15 adoption	15	(713)	–	(713)	–	–	–
Changes due to AASB 16 adoption		–	–	–	–	–	–
Net operating result for the year		1,087	–	1,087	3,831	–	3,831
Restated net operating result for the period		1,087	–	1,087	3,831	–	3,831
Other comprehensive income							
– Gain (loss) on revaluation of IPP&E	10	–	1,937	1,937	–	342	342
Other comprehensive income		–	1,937	1,937	–	342	342
Total comprehensive income		1,087	1,937	3,024	3,831	342	4,173
Equity – balance at end of the reporting period		278,105	129,618	407,723	277,731	127,681	405,412

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

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

Statement of Cash Flows

for the year ended 30 June 2020

<i>Original unaudited budget</i>			<i>Actual</i>	<i>Actual</i>
2020	\$ '000	Notes	2020	2019
Cash flows from operating activities				
<i>Receipts:</i>				
10,725	Rates and annual charges		10,590	10,315
4,178	User charges and fees		3,462	3,803
179	Investment and interest revenue received		146	280
16,428	Grants and contributions		13,475	15,678
–	Bonds, deposits and retention amounts received		5	–
1,149	Other		5,028	5,161
<i>Payments:</i>				
(12,292)	Employee benefits and on-costs		(12,267)	(11,967)
(9,308)	Materials and contracts		(8,134)	(6,592)
(480)	Borrowing costs		(581)	(486)
–	Bonds, deposits and retention amounts refunded		–	(55)
(1,149)	Other		(2,282)	(2,751)
9,430	Net cash provided (or used in) operating activities	16b	9,442	13,386
Cash flows from investing activities				
<i>Receipts:</i>				
–	Sale of investment securities		12,975	12,000
560	Sale of infrastructure, property, plant and equipment		495	263
<i>Payments:</i>				
–	Purchase of investment securities		(12,000)	(14,764)
(10,053)	Purchase of infrastructure, property, plant and equipment		(9,488)	(11,219)
–	Purchase of real estate assets		–	(179)
(9,493)	Net cash provided (or used in) investing activities		(8,018)	(13,899)
Cash flows from financing activities				
<i>Receipts:</i>				
–	Proceeds from borrowings and advances		–	2,023
<i>Payments:</i>				
(1,317)	Repayment of borrowings and advances		(1,275)	(1,208)
(1,317)	Net cash flow provided (used in) financing activities		(1,275)	815
(1,380)	Net increase/(decrease) in cash and cash equivalents		149	302
2,850	Plus: cash and cash equivalents – beginning of year	16a	3,787	3,485
1,470	Cash and cash equivalents – end of the year	16a	3,936	3,787
8,650	plus: Investments on hand – end of year	7(b)	7,631	8,606
10,120	Total cash, cash equivalents and investments		11,567	12,393

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

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

Notes to the Financial Statements

for the year ended 30 June 2020

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 02 November 2020. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

The principal accounting policies adopted in the preparation of these 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 (NSW)* and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting.

Council is a not for-profit entity.

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

(a) Historical cost convention

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

(b) Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note 10
- (ii) estimated tip remediation provisions – refer Note 14
- (iii) employee benefit provisions – refer Note 14.

Covid 19 Impacts

Covid 19 has caused 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. 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 employee required to isolate.

Council has provided some rent relief to the lessee of the Roxy Theatre Cafe to compensate for lost income due to the compulsory lockdown and some additional costs have been incurred in cleaning of council facilities.

Rate collections are marginally less the previous year's however it is not known if this is a consequence of Covid or attributable to the prolonged drought. 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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation (continued)

For assets where fair value is determined by market value Council has no evidence of material changes to these values. With Covid emerging late in the financial reporting cycle it is not practical to obtain external valuations of these assets at 30 June 2020.

Significant judgements in applying the council's accounting policies

(i) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables – refer Note 8.

Monies and other assets received by Council

(a) The Consolidated Fund

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

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

- General purpose operations
- Water service
- Sewerage service
- Waste management
- Naroo Aged Care

(b) The Trust Fund

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

Trust monies and properties are held by Council but not considered to be under the control of Council and therefore are excluded from these financial statements.

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, events and information centres. The value of these services are not of a material nature and as such have not been included within the financials.

New accounting standards and interpretations issued not yet effective

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations (ie. pronouncements) have been published by the Australian Accounting Standards Board that are not mandatory for the 30 June 2020 reporting period.

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



Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation (continued)

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.

New accounting standards adopted during the year

During the year Council adopted the following accounting standards and interpretations (as issued by the Australian Accounting Standards Board) which were mandatorily effective from 1 July 2019:

- AASB 15 Revenue from contracts with customers and associated amending standards.
- AASB 1058 Income of Not-for-profit entities
- AASB 16 Leases

Further information on the newly adopted standards which had a material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures can be found at Note 15.

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

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

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

\$ '000	<i>Income from continuing operations</i>		<i>Expenses from continuing operations</i>		<i>Operating result from continuing operations</i>		<i>Grants included in income from continuing operations</i>		<i>Carrying amount of assets</i>	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Functions or activities										
Social	3,968	4,218	4,776	4,580	(808)	(362)	2,377	1,942	19,641	13,945
Economic	9,639	9,790	10,433	10,223	(794)	(433)	3,016	3,048	320,958	340,664
Environment	3,294	2,946	3,137	2,648	157	298	230	185	22,065	20,212
Civic Leadership	777	667	1,662	1,536	(885)	(869)	–	–	5,925	3,941
Governance	16,153	15,440	12,736	10,243	3,417	5,197	5,589	6,807	59,372	46,335
Total functions and activities	33,831	33,061	32,744	29,230	1,087	3,831	11,212	11,982	427,961	425,097



Notes to the Financial Statements

for the year ended 30 June 2020

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

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

Social

Includes aged and disability services, social services, library, emergency services, parks and urban spaces, public health.

Economic

Includes Gwydir Learning Region, shire roads, asset management, sewerage services, marketing & promotion.

Environment

Includes development and land use management, water supply, environmental protection, waste operations and circular economy.

Civic Leadership

Includes organisational development & recreational facilities.

Governance

Includes technical services, governance, financial operations, information services, compliance, town utilities and plant operations.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations

\$ '000	AASB	2020	2019
(a) Rates and annual charges			
Ordinary rates			
Residential	1058 (1)	1,256	1,227
Farmland	1058 (1)	6,400	6,256
Business	1058 (1)	264	215
Less: pensioner rebates (mandatory)	1058 (1)	(92)	(89)
Rates levied to ratepayers		7,828	7,609
Pensioner rate subsidies received	1058 (1)	49	48
Total ordinary rates		7,877	7,657
Annual charges			
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>			
Domestic waste management services	1058 (1)	569	652
Stormwater management services	1058 (1)	36	36
Water supply services	1058 (1)	685	686
Sewerage services	1058 (1)	626	626
Waste management services (non-domestic)	1058 (1)	823	727
Less: pensioner rebates (mandatory)	1058 (1)	(148)	(151)
Annual charges levied		2,591	2,576
Pensioner subsidies received:			
– Water	1058 (1)	24	24
– Sewerage	1058 (1)	20	20
– Domestic waste management	1058 (1)	36	37
Total annual charges		2,671	2,657
TOTAL RATES AND ANNUAL CHARGES		10,548	10,314

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

- 15 (1)** indicates income recognised under AASB 15 “at a point in time”,
- 15 (2)** indicates income recognised under AASB 15 “over time”,
- 1058 (1)** indicates income recognised under AASB 1058 “at a point in time”, while
- 1058 (2)** indicates income recognised under AASB 1058 “over time”.

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

Accounting policy for rates and charges

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

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

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates.

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	AASB	2020	2019
(b) User charges and fees			
Specific user charges			
(per s.502 - specific 'actual use' charges)			
Water supply services	15 (2)	578	666
Sewerage services	15 (2)	62	69
Total specific user charges		640	735
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Inspection services	15 (1)	5	13
Planning and building regulation	15 (1)	69	61
Private works – section 67	15 (2)	277	161
Registration fees	15 (1)	7	8
Section 603 certificates	15 (1)	9	9
Total fees and charges – statutory/regulatory		367	252
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Caravan park	15 (1)	184	376
Cemeteries	15 (1)	42	35
Child care	15 (1)	3	3
Park rents	15 (1)	6	–
RMS (formerly RTA) charges (state roads not controlled by Council)	15 (2)	1,832	1,698
Tourism	15 (1)	6	5
Gwydir learning region	15 (1)	55	34
Home and community care / community transport	15 (1)	85	119
Pre-school services	15 (1)	149	107
Roxy theatre	15 (1)	20	46
Community fitness	15 (1)	30	34
Other	15 (1)	48	51
Total fees and charges – other		2,460	2,508
TOTAL USER CHARGES AND FEES		3,467	3,495

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

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

15 (2) indicates income recognised under AASB 15 “over time”,

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

1058 (2) indicates income recognised under AASB 1058 “over time”.

Accounting policy for user charges and fees

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

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

2019 accounting policy

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

\$ '000	AASB	2020	2019
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Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	AASB	2020	2019
(c) Other revenues			
Rental income – other council properties (2019 only)		–	243
Fines – other	1058 (1)	10	8
Legal fees recovery – rates and charges (extra charges)	15 (1)	10	7
Commissions and agency fees	15 (1)	119	115
Diesel rebate	1058 (1)	98	94
Insurance claims recoveries	1058 (1)	24	16
Sales – general	15 (1)	57	54
Emergency services reimbursements	1058 (1)	123	118
Employee related	1058 (1)	82	89
Festivals	15 (1)	12	13
Medical centres	1058 (1)	6	6
Naroo	15 (2)	2,690	2,438
Sewer operations	15 (1)	1	1
Waste management revenues	15 (1)	69	16
Tourism	15 (1)	31	53
Insurance Incentives	1058 (1)	60	55
Water supplies	15 (1)	8	33
Companion Animals Reimbursement	1058 (1)	12	6
Advertising Income	15 (1)	92	3
Container Deposit reimbursement	15 (1)	53	45
Namoi Joint Organisation reimbursement	15 (1)	40	239
Crown Land Assets Reconciliation		–	373
Road Asset Reconciliation		506	–
Volunteer Services	15 (1)	–	–
Other	15 (1)	44	141
TOTAL OTHER REVENUE		4,147	4,166

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

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

15 (2) indicates income recognised under AASB 15 “over time”,

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

1058 (2) indicates income recognised under AASB 1058 “over time”.

Accounting policy for other revenue

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

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

2019 accounting policy:

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

Fines are recognised as revenue when the fine has been paid.

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



Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

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

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
(d) Grants					
General purpose (untied)					
Current year allocation					
Financial assistance	1058 (1)	2,301	2,335	–	–
Payment in advance - future year allocation					
Financial assistance	1058 (1)	2,439	2,421	–	–
Total general purpose		4,740	4,756	–	–
Specific purpose					
Aged care	1058 (2)	–	–	88	361
Child care	1058 (1)	28	30	–	–
Community care	1058 (1)	345	288	–	–
Community centres	1058 (1)	49	46	–	–
Economic development	15 (2)	8	–	–	–
Employment and training programs	1058 (1)	22	32	–	–
Environmental programs	1058 (1)	–	–	–	–
Library	1058 (1)	75	45	–	–
Noxious weeds	1058 (2)	70	69	–	–
NSW rural fire services	1058 (2)	239	175	–	–
Recreation and culture	1058 (1)	15	–	185	40
Street lighting	1058 (1)	21	20	–	–
Transport (other roads and bridges funding)	1058 (2)	–	–	833	2,881
Family first – DOCS	1058 (1)	104	102	–	–
Preschool	1058 (1)	293	261	–	–
Tharawonga operational	1058 (1)	404	328	–	–
Transport (3x3, flood works, roads to recovery)	1058 (2)	1,773	890	–	–
Drought Communities	1058 (2)	200	335	49	433
Stronger Country Communities - Council Projects	1058 (2)	–	–	1,183	526
Stronger Country Communities - Community Projects	15 (2)	180	285	–	–
Big River Dreaming	1058 (1)	50	–	254	–
Crown Lands	1058 (1)	–	76	–	–
Caravan Park	1058 (2)	–	–	–	–
Other	1058 (1)	4	3	–	–
Total specific purpose		3,880	2,985	2,592	4,241
Total grants		8,620	7,741	2,592	4,241
Grant revenue is attributable to:					
– Commonwealth funding		7,330	6,506	684	2,256
– State funding		1,290	1,235	1,908	1,985
		8,620	7,741	2,592	4,241

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

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

15 (2) indicates income recognised under AASB 15 “over time”,

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

1058 (2) indicates income recognised under AASB 1058 “over time”.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	Notes	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
(e) Contributions						
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
Cash contributions						
S 7.11 – contributions towards amenities/services						
	1058 (1)		–	–	195	238
Total developer contributions – cash			–	–	195	238
Total developer contributions			–	–	195	238
	23					
Other contributions:						
Cash contributions						
Community services						
	1058 (1)		3	–	–	–
Recreation and culture						
			–	6	–	10
Roads and bridges						
			–	–	–	15
RMS contributions (regional roads, block grant)						
	1058 (2)		1,671	1,924	–	592
Sewerage (excl. section 64 contributions)						
	1058 (1)		–	–	–	2
Tourism						
	1058 (1)		–	–	–	–
Other						
	1058 (1)		38	38	–	16
Self help roadwork contributions						
	1058 (2)		–	–	82	–
Total other contributions – cash			1,712	1,968	82	635
Total other contributions			1,712	1,968	82	635
Total contributions			1,712	1,968	277	873
TOTAL GRANTS AND CONTRIBUTIONS			10,332	9,709	2,869	5,114

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

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

15 (2) indicates income recognised under AASB 15 “over time”,

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

1058 (2) indicates income recognised under AASB 1058 “over time”.

Accounting policy for grants and contributions

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner, or used over a particular period, and those conditions were un-discharged at reporting date, the unused grant or contribution is disclosed in note 3(f).

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

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

\$ '000	2020	2019
(f) Unspent grants and contributions – external restrictions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner due to externally imposed restrictions.		
Operating grants		
Unexpended at the close of the previous reporting period	390	229
Add: operating grants recognised as income in the current period but not yet spent	198	252
Less: operating grants recognised in a previous reporting period now spent	(180)	(91)
Unexpended and held as externally restricted assets (operating grants)	<u>408</u>	<u>390</u>
Capital grants		
Unexpended at the close of the previous reporting period	856	237
Add: capital grants recognised as income in the current period but not yet spent	25	656
Less: capital grants recognised in a previous reporting period now spent	(856)	(37)
Unexpended and held as externally restricted assets (capital grants)	<u>25</u>	<u>856</u>
Contributions		
Unexpended at the close of the previous reporting period	262	256
Add: contributions recognised as income in the current period but not yet spent	291	6
Less: contributions recognised in a previous reporting period now spent	(262)	–
Unexpended and held as externally restricted assets (contributions)	<u>291</u>	<u>262</u>

Notes to the Financial Statements

for the year ended 30 June 2020

Note 4. Interest and investment income

\$ '000	2020	2019
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	21	23
– Cash and investments	57	76
Distribution income relating to investments held at fair value through profit and loss	75	164
Total Interest and investment income	153	263
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	11	14
General Council cash and investments	49	75
Restricted investments/funds – external:		
Development contributions		
– Section 7.11	3	6
Water fund operations	11	17
Sewerage fund operations	36	80
Domestic waste management operations	43	71
Total interest and investment revenue	153	263

Accounting policy for interest and investment revenue

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations

\$ '000	2020	2019
(a) Employee benefits and on-costs		
Salaries and wages	9,637	9,459
Employee leave entitlements (ELE)	2,083	1,960
Superannuation	1,220	1,184
Workers' compensation insurance	574	529
Fringe benefit tax (FBT)	29	29
Other	18	30
Total employee costs	13,561	13,191
Less: capitalised costs	(1,195)	(1,584)
TOTAL EMPLOYEE COSTS EXPENSED	12,366	11,607

Accounting policy for employee benefits and on-costs

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

Retirement benefit obligations

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

Superannuation plans

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

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note 15 for more information.

\$ '000	Notes	2020	2019
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on loans		530	485
Total interest bearing liability costs		530	485
Total interest bearing liability costs expensed		530	485
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	14	59	81
Amortisation of discounts and premiums: – unwinding discount on reduced interest loan		43	49
Total other borrowing costs		102	130
TOTAL BORROWING COSTS EXPENSED		632	615

Accounting policy for borrowing costs

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

\$ '000	2020	2019
(c) Materials and contracts		
Raw materials and consumables	9,524	11,646
Contractor and consultancy costs		
– Consultants	436	345
– Domestic waste management contract	99	99
– Health services	14	12
– Pools	169	122
– Road infrastructure contractors	661	997
– Other	2,723	2,818
Auditors remuneration ²	60	73
Legal expenses:		
– Legal expenses: debt recovery	13	18
– Legal expenses: other	53	10
Expenses from leases of low value assets (2020 only)	22	–
Variable lease expense relating to usage (2020 only)	42	–
Total materials and contracts	13,816	16,140
Less: capitalised costs	(7,221)	(9,637)
TOTAL MATERIALS AND CONTRACTS	6,595	6,503

Accounting policy for materials and contracts

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

Operating leases (2019 only)

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

2. Auditor remuneration

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

Auditors of the Council - NSW Auditor-General:

(i) Audit and other assurance services

Audit and review of financial statements	55	69
Remuneration for audit and other assurance services	55	69
Total Auditor-General remuneration	55	69

Non NSW Auditor-General audit firms

(i) Audit and other assurance services

Audit and review of financial statements	5	4
Remuneration for audit and other assurance services	5	4
Total remuneration of non NSW Auditor-General audit firms	5	4
Total Auditor remuneration	60	73

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

\$ '000	Notes	2020	2019
(d) Depreciation, amortisation and impairment of non-financial assets			
Depreciation and amortisation			
Plant and equipment		1,013	935
Office equipment		64	69
Furniture and fittings		47	50
Land improvements (depreciable)		1	–
Infrastructure:	10		
– Buildings – non-specialised		613	888
– Buildings – specialised		462	754
– Other structures		239	296
– Roads		4,549	4,380
– Bridges		13	11
– Footpaths		20	20
– Stormwater drainage		37	35
– Water supply network		365	385
– Sewerage network		182	187
– Swimming pools		109	113
Other assets:			
– Other		10	9
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	14,10	513	103
– Quarry assets	14,10	22	30
Total gross depreciation and amortisation costs		<u>8,259</u>	<u>8,265</u>
Total depreciation and amortisation costs		<u>8,259</u>	<u>8,265</u>
Impairment / revaluation decrement of IPP&E			
Infrastructure:	10		
– Buildings – non-specialised		(1,986)	–
Total gross IPP&E impairment / revaluation decrement costs / (reversals)		<u>(1,986)</u>	<u>–</u>
Total IPP&E impairment / revaluation decrement costs / (reversals) charged to Income Statement		<u>(1,986)</u>	<u>–</u>
<u>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT FOR NON-FINANCIAL ASSETS</u>		<u>6,273</u>	<u>8,265</u>

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

Depreciation and amortisation

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

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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

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.

<u>\$ '000</u>	<u>2020</u>	<u>2019</u>
(e) Other expenses		
Advertising	29	31
Bad and doubtful debts	18	117
Bank charges	37	39
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	421	345
Councillor expenses – mayoral fee	29	27
Councillor expenses – councillors' fees	119	113
Councillors' expenses (incl. mayor) – other (excluding fees above)	68	108
Donations, contributions and assistance to other organisations (Section 356)	94	83
Electricity and heating	544	576
Insurance	591	542
Street lighting	60	78
Subscriptions and publications	80	157
Telephone and communications	199	204
Valuation fees	27	32
Reinstatement of Provision	–	(332)
Total other expenses	2,316	2,120
TOTAL OTHER EXPENSES	2,316	2,120

Accounting policy for other expenses

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

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

Note 6. Gain or loss from disposal of assets

\$ '000	Notes	2020	2019
Property (excl. investment property)			
Proceeds from disposal – property		322	81
Less: carrying amount of property assets sold/written off		(447)	(42)
Net gain/(loss) on disposal		(125)	39
Plant and equipment			
	10		
Proceeds from disposal – plant and equipment		173	159
Less: carrying amount of plant and equipment assets sold/written off		(283)	(255)
Net gain/(loss) on disposal		(110)	(96)
Infrastructure			
	10		
Proceeds from disposal – infrastructure		–	23
Less: carrying amount of infrastructure assets sold/written off		(2,341)	(86)
Net gain/(loss) on disposal		(2,341)	(63)
Investments			
	7(b)		
Proceeds from disposal/redemptions/maturities – investments		12,000	12,000
Less: carrying amount of investments sold/redeemed/matured		(12,000)	(12,000)
Net gain/(loss) on disposal		–	–
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(2,576)	(120)

Accounting policy for disposal of assets

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

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 7(a). Cash and cash equivalents

\$ '000	2020	2019
Cash and cash equivalents		
Cash on hand and at bank	535	523
Cash-equivalent assets		
– Deposits at call	401	264
– Short-term deposits	3,000	3,000
Total cash and cash equivalents	3,936	3,787

Accounting policy for cash and cash equivalents

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

Note 7(b). Investments

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Investments				
a. 'Financial assets at fair value through profit and loss'				
– 'Held for trading'	7,631	–	8,606	–
Total Investments	7,631	–	8,606	–
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	11,567	–	12,393	–
Financial assets at fair value through the profit and loss				
Managed funds	7,631	–	8,606	–
Total	7,631	–	8,606	–

Accounting policy for investments

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

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

Financial assets

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

Classification

On initial recognition, Council classifies its financial assets into the following categories – those measured at:

- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above 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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 7(b). Investments (continued)

Council's financial assets measured at fair value through profit or loss comprise investments in Managed Funds in the Statement of Financial Position.

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

\$ '000	2020		2019	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	11,567	–	12,393	–
attributable to:				
External restrictions	6,900	–	7,438	–
Internal restrictions	4,623	–	4,906	–
Unrestricted	44	–	49	–
	<u>11,567</u>	<u>–</u>	<u>12,393</u>	<u>–</u>

\$ '000	2020	2019
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Details of restrictions

External restrictions – included in liabilities

Specific purpose unexpended grants – general fund (2020 only)	1,571	–
Specific purpose unexpended loans – general	–	274
Aged care bonds	700	290

External restrictions – included in liabilities	<u>2,271</u>	<u>564</u>
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External restrictions – other

Developer contributions – general	288	262
Specific purpose unexpended grants (recognised as revenue) – general fund	433	1,246
Water supplies	770	560
Sewerage services	3,135	3,292
Domestic waste management	–	1,514
Other	3	–

External restrictions – other	<u>4,629</u>	<u>6,874</u>
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Total external restrictions	<u>6,900</u>	<u>7,438</u>
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Internal restrictions

Infrastructure replacement	–	250
Employees leave entitlement	–	900
Deposits, retentions and bonds	49	44
Advance Payment Financial Assistance Grant	1,400	2,421
Other waste	3,174	1,291

Total internal restrictions	<u>4,623</u>	<u>4,906</u>
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TOTAL RESTRICTIONS	<u>11,523</u>	<u>12,344</u>
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Notes to the Financial Statements

for the year ended 30 June 2020

Note 8. Receivables

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Purpose				
Rates and annual charges	380	–	344	–
Interest and extra charges	59	–	50	–
User charges and fees	412	–	266	–
Accrued revenues				
– Interest on investments	–	–	2	–
– Other income accruals	1,189	–	134	–
Government grants and subsidies	208	–	434	–
Developer Contributions	48	–	244	–
Net GST receivable	159	–	203	–
Sundry trade debtors	153	–	246	–
Other debtors	65	–	95	–
Total	2,673	–	2,018	–
Less: provision for impairment				
User charges and fees	(5)	–	(5)	–
Sundry debtors	(119)	–	(119)	–
Total provision for impairment – receivables	(124)	–	(124)	–
TOTAL NET RECEIVABLES	2,549	–	1,894	–
Externally restricted receivables				
Water supply				
– Rates and availability charges	46	–	42	–
– Other	161	–	237	–
Sewerage services				
– Rates and availability charges	30	–	31	–
– Other	30	–	37	–
Developer Contributions	147	–	238	–
Total external restrictions	414	–	585	–
Internally restricted receivables				
Financial Assistance Grant advance payment	1,039	–	–	–
Internally restricted receivables	1,039	–	–	–
Unrestricted receivables	1,096	–	1,309	–
TOTAL NET RECEIVABLES	2,549	–	1,894	–
\$ '000			2020	2019
Movement in provision for impairment of receivables				
Balance at the beginning of the year (calculated in accordance with AASB 139)			124	7
+ new provisions recognised during the year			–	117
Balance at the end of the year			124	124

Notes to the Financial Statements

for the year ended 30 June 2020

Note 8. Receivables (continued)

Accounting policy for receivables

Recognition and measurement

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

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

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

Impairment

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

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

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

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

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

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

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

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

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

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

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

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

Rates and annual charges outstanding are secured against the property.

Covid 19

Council's rate and user charges collections have not been significantly impacted by the Covid 19 pandemic and are comparable to prior years, therefore no adjustment has been made to the impairment provision. Cashflows and interest income may be impacted in 2020/21 due to the State Government legislating that rate instalments can be deferred until September 30 and no interest can be charged for the first 6 months. The impact this may have is not able to be measured at this stage however it is not expected to be significant.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 9. Inventories and other assets

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Inventories				
(i) Inventories at cost				
Real estate for resale	576	–	576	–
Stores and materials	222	–	228	–
Total inventories at cost	798	–	804	–
TOTAL INVENTORIES	798	–	804	–

(i) Other disclosures

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
(a) Details for real estate development				
Residential	576	–	576	–
Total real estate for resale	576	–	576	–
(Valued at the lower of cost and net realisable value)				
Represented by:				
Acquisition costs	397	–	397	–
Development costs	179	–	179	–
Total costs	576	–	576	–
Total real estate for resale	576	–	576	–
Movements:				
Real estate assets at beginning of the year	576	–	–	–
– Purchases and other costs	–	–	179	–
– Transfers in from (out to) Note 11	–	–	397	–
Total real estate for resale	576	–	576	–

(b) Current assets not anticipated to be settled within the next 12 months

The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;

\$ '000	2020	2019
Real estate for resale	510	451
	510	451



Notes to the Financial Statements

for the year ended 30 June 2020

Note 9. Inventories and other assets (continued)

Accounting policy for inventories and other assets

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value.

Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts.

Land held for resale/capitalisation of borrowing costs

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.

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

Note 10. Infrastructure, property, plant and equipment

	as at 30/06/19			Asset movements during the reporting period									as at 30/06/20		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in P/L)	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	7,655	–	7,655	5,701	–	–	–	–	(1,219)	–	–	–	12,137	–	12,137
Plant and equipment	17,737	(8,796)	8,941	–	1,306	(287)	(1,013)	–	126	–	–	–	18,581	(9,508)	9,073
Office equipment	864	(583)	281	–	90	–	(64)	–	–	–	–	–	954	(647)	307
Furniture and fittings	1,260	(561)	699	–	61	–	(47)	–	–	–	–	–	1,300	(587)	713
Land:															
– Operational land	4,777	–	4,777	–	–	(80)	–	–	–	–	–	1,220	5,917	–	5,917
– Community land	2,930	–	2,930	–	–	–	–	–	–	–	–	–	2,930	–	2,930
Land improvements – depreciable	–	–	–	–	–	–	(1)	–	64	–	–	–	64	(1)	63
Infrastructure:															
– Buildings – non-specialised	41,664	(24,861)	16,803	575	–	(446)	(613)	1,986	6	–	–	9,384	39,073	(11,378)	27,695
– Buildings – specialised	34,497	(18,900)	15,597	30	–	(277)	(462)	–	76	–	–	14,181	36,990	(7,845)	29,145
– Other structures	5,941	(1,537)	4,404	110	–	(7)	(239)	–	372	–	–	–	6,473	(1,833)	4,640
– Roads	326,965	(47,879)	279,086	780	506	(864)	(4,549)	–	369	(82,781)	(19,129)	–	195,830	(22,412)	173,418
– Bridges	38,547	(404)	38,143	219	–	–	(13)	–	28	–	(2,650)	–	43,860	(8,133)	35,727
– Footpaths	3,190	(524)	2,666	–	–	–	(20)	–	–	–	(1,273)	–	2,732	(1,359)	1,373
– Bulk earthworks (non-depreciable)	–	–	–	–	–	–	–	–	–	82,781	–	–	82,781	–	82,781
– Stormwater drainage	3,922	(2,095)	1,827	1	–	–	(37)	–	133	–	–	18	4,095	(2,153)	1,942
– Water supply network	23,001	(7,851)	15,150	39	–	(8)	(365)	–	18	–	–	141	23,264	(8,289)	14,975
– Sewerage network	12,617	(7,720)	4,897	38	–	–	(182)	–	27	–	–	45	12,802	(7,977)	4,825
– Swimming pools	2,708	(315)	2,393	–	–	(1,101)	(109)	–	–	–	–	–	1,368	(185)	1,183
Other assets:															
– Other	184	(46)	138	–	31	–	(10)	–	–	–	–	–	215	(56)	159
Reinstatement, rehabilitation and restoration assets (refer Note 11):															
– Tip assets	3,305	–	3,305	–	–	–	(513)	–	–	–	–	–	3,306	(514)	2,792
– Quarry assets	397	(83)	314	–	–	–	(22)	–	–	–	–	–	398	(106)	292
Total Infrastructure, property, plant and equipment	532,161	(122,155)	410,006	7,493	1,994	(3,070)	(8,259)	1,986	–	–	(23,052)	24,989	495,070	(82,983)	412,087

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

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

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

\$ '000	as at 30/06/18			Asset movements during the reporting period								as at 30/06/19		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ⁽¹⁾	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Tfns from/to real estate assets (Note 9)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	2,810	–	2,810	5,696	–	–	–	(851)	–	–	–	7,655	–	7,655
Plant and equipment	16,478	(8,321)	8,157	–	1,649	(255)	(935)	325	–	–	–	17,737	(8,796)	8,941
Office equipment	801	(513)	288	–	62	–	(69)	–	–	–	–	864	(583)	281
Furniture and fittings	1,260	(511)	749	–	–	–	(50)	–	–	–	–	1,260	(561)	699
Land:														
– Operational land	4,952	–	4,952	–	236	(42)	–	28	–	(397)	–	4,777	–	4,777
– Community land	2,557	–	2,557	–	373	–	–	–	–	–	–	2,930	–	2,930
Infrastructure:														
– Buildings – non-specialised	41,690	(24,157)	17,533	178	–	(41)	(888)	21	–	–	–	41,664	(24,861)	16,803
– Buildings – specialised	34,268	(18,151)	16,117	224	–	(22)	(754)	32	–	–	–	34,497	(18,900)	15,597
– Other structures	5,618	(1,261)	4,357	268	–	(3)	(296)	78	–	–	–	5,941	(1,537)	4,404
– Roads	324,381	(43,515)	280,866	2,382	–	–	(4,380)	218	–	–	–	326,965	(47,879)	279,086
– Bridges	38,547	(393)	38,154	–	–	–	(11)	–	–	–	–	38,547	(404)	38,143
– Footpaths	3,190	(504)	2,686	–	–	–	(20)	–	–	–	–	3,190	(524)	2,666
– Stormwater drainage	3,860	(2,027)	1,833	–	–	–	(35)	–	–	–	29	3,922	(2,095)	1,827
– Water supply network	22,405	(7,359)	15,046	130	–	(20)	(385)	143	–	–	236	23,001	(7,851)	15,150
– Sewerage network	12,392	(7,412)	4,980	21	–	–	(187)	6	–	–	77	12,617	(7,720)	4,897
– Swimming pools	2,707	(201)	2,506	–	–	–	(113)	–	–	–	–	2,708	(315)	2,393
Other assets:														
– Other	184	(37)	147	–	–	–	(9)	–	–	–	–	184	(46)	138
Reinstatement, rehabilitation and restoration assets (refer Note 11):														
– Tip assets	1,462	(103)	1,359	–	–	–	(103)	–	2,049	–	–	3,305	–	3,305
– Quarry assets	397	(53)	344	–	–	–	(30)	–	–	–	–	397	(83)	314
Total Infrastructure, property, plant and equipment	519,959	(114,518)	405,441	8,899	2,320	(383)	(8,265)	–	2,049	(397)	342	532,161	(122,155)	410,006

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

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

Accounting policy for infrastructure, property, plant and equipment

Infrastructure, property, plant and equipment are held at fair value. Independent valuations are performed at least every five years, however the carrying amount of assets is assessed 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 Crown Lands and Water (CLAW).

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

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

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	3 to 20	Playground equipment	5 to 15
Office furniture	9 to 30	Benches, seats etc.	10 to 20
Vehicles, plant and equipment	5 to 50	Other Structures	5 to 100
Water and sewer assets		Buildings	
Dams and reservoirs	15 to 100	Buildings	6 to 262
Bores	10 to 30		
Reticulation pipes: PVC	100	Stormwater assets	
Pumps and telemetry	15 to 100	Drains	50 to 100
Treatment plant	10 to 100	Culverts	100
Transportation assets		Other infrastructure assets	
Sealed roads: surface	20 to 36	Bulk earthworks	infinite
Sealed roads: structure	36 to 200	Swimming pools	60
Unsealed roads	12 to 200	Other Assets	10 to 100
Bridge: concrete	150		
Bridge: other	100		
Kerb and gutter	100		
Footpaths	100		

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

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

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

Crown reserves

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



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

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".

Until such time as discussions on this matter have concluded and the legislation changed, Council will continue to recognise some of the rural fire service assets including land, buildings, some of the plant and vehicles. However, some fire fighting trucks (referred to as the Red Fleet) have not been recognised.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 11. Contract assets and liabilities

\$ '000	2020 Current	2020 Non-current
(a) Contract assets		
Construction of roads	502	–
Construction of recreation assets	389	–
Community assets	30	–
Total Contract assets	921	–

Internally restricted assets

Employee Leave Entitlements	900	–
Total internally restricted assets	900	–
Total restricted assets	900	–
Total unrestricted assets	21	–
Total contract assets	921	–

\$ '000	Notes	2020 Current	2020 Non-current
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(b) Contract liabilities

Grants and contributions received in advance:

Unexpended capital grants (to construct Council controlled assets)	(i)	1,515	–
Unexpended operating grants (received prior to performance obligation being satisfied)	(ii)	56	–
Total grants received in advance		1,571	–
Total contract liabilities		1,571	–

Notes

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

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

\$ '000	2020
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(ii) Revenue recognised (during the financial year) from opening contract liability balances

Grants and contributions received in advance:

Capital grants (to construct Council controlled assets)	327
Operating grants (received prior to performance obligation being satisfied)	57
Total Revenue recognised during the financial year that was included in the contract liability balance at the beginning of the period	384



Note 11. Contract assets and liabilities (continued)

Significant changes in contract assets and liabilities

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

Accounting policy for contract assets and liabilities

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

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

When an amount of consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Leases

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

(i) Council as a lessee

Council has leases over a building and photocopiers. Information relating to the leases in place and associated balances and transactions is provided below.

Terms and conditions of leases

Buildings

Council leases a building for the Gwydir News, the lease is for 1 years with a 2 year renewal option.

The lease contains an annual pricing mechanism based on CPI movements at each anniversary of the lease inception.

Council also leases the former St Mary's school for community purposes, this lease is for 3 years, expires on 30 June 2021 and has no renewal cause.

Right of Use Assets have not been bought in for these leases as they are short term with low annual rental.

Office and IT equipment

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

\$ '000 **2020**

(a) Income Statement

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	42
Expenses relating to low-value leases	22
	<u>64</u>

(b) Statement of Cash Flows

Total cash outflow for leases	64
	<u>64</u>

Leases at significantly below market value – concessionary / peppercorn leases

Council has a lease at significantly below market for a building which is used for:

- a gymnasium

The lease is on-going at council discretion and requires a payment of a maximum amount of \$10 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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Leases (continued)

Accounting policy

Accounting policies under AASB 16 – applicable from 1 July 2019

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. 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.

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.

Accounting policy under AASB 117 and associated Accounting Interpretations (2019 only)

Refer to Note 5c.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Leases (continued)

(ii) Council as a lessor

(c) Operating leases

Council leases out a number of properties for housing, caravan park residents, medical centres, cafe and commercial premises; these leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E. They have not been classified under AASB 140 Investment Property as they are either occupied by council employees, aged and permanent residents or held for strategic purposes.

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

\$ '000	2020
(i) Operating lease income	
Other lease income	
Housing Rent	33
Commercial Property	34
Medical Centres	29
Roxy Theatre	11
Community Housing	144
Caravan Park	78
Total income relating to operating leases	329

(iv) Maturity analysis of contractual lease income

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

< 1 year	311
1–2 years	311
2–3 years	311
3–4 years	311
4–5 years	311
> 5 years	311
Total undiscounted contractual lease income receivable	1,866

Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Payables and borrowings

\$ '000	2020		2019	
	Current	Non-current	Current	Non-current
Payables				
Goods and services – operating expenditure	24	–	188	–
Accrued expenses:				
– Borrowings	60	–	68	–
– Salaries and wages	477	–	443	–
– Other expenditure accruals	922	–	162	–
Prepaid rates	241	–	163	–
Security bonds, deposits and retentions	49	–	44	–
Aged care deposits and bonds	1,747	–	2,415	–
Sundry	44	–	21	–
Other	81	–	74	–
Total payables	3,645	–	3,578	–
Borrowings				
Loans – secured ¹	1,180	7,085	1,274	8,266
Total borrowings	1,180	7,085	1,274	8,266
TOTAL PAYABLES AND BORROWINGS	4,825	7,085	4,852	8,266

(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 16.

\$ '000	2020	2019
(a) Current payables and borrowings not anticipated to be settled within the next twelve months		
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Payables – security bonds, deposits and retentions	1,047	1,615
Total payables and borrowings	1,047	1,615

Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Payables and borrowings (continued)

(b) Changes in liabilities arising from financing activities

\$ '000	as at 30/06/19		Non-cash changes				as at 30/06/20
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	9,540	(1,318)	–	43	–	–	8,265
TOTAL	9,540	(1,318)	–	43	–	–	8,265

\$ '000	as at 30/06/18		Non-cash changes			as at 30/06/19
	Opening Balance	Cash flows	Acquisition	Fair value changes	Other non-cash movement	Closing balance
Loans – secured	8,677	814	–	49	–	9,540
TOTAL	8,677	814	–	49	–	9,540

\$ '000	2020	2019
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(c) Financing arrangements

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

Bank overdraft facilities ¹	100	100
Credit cards/purchase cards	100	100
Total financing arrangements	200	200

Drawn facilities as at balance date:

– Credit cards/purchase cards	7	30
Total drawn financing arrangements	7	30

Undrawn facilities as at balance date:

– Bank overdraft facilities	100	100
– Credit cards/purchase cards	93	70
Total undrawn financing arrangements	193	170

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

Accounting policy for payables and borrowings

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

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

Payables

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

Borrowings

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



Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Payables and borrowings (continued)

it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Provisions

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Provisions				
Employee benefits				
Annual leave	1,202	–	1,129	–
Long service leave	1,651	106	1,596	103
Sub-total – aggregate employee benefits	2,853	106	2,725	103
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	3,798	–	3,739
Sub-total – asset remediation/restoration	–	3,798	–	3,739
TOTAL PROVISIONS	2,853	3,904	2,725	3,842

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

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

Provisions – employees benefits	1,585	1,525
	1,585	1,525

(b) Description of and movements in provisions

\$ '000	Other provisions Asset remediation	Total
2020		
At beginning of year	3,739	3,739
Unwinding of discount	59	59
Total other provisions at end of year	3,798	3,798
2019		
At beginning of year	1,941	1,941
Remeasurement effects	1,716	1,716
Unwinding of discount	82	82
Total other provisions at end of year	3,739	3,739

Nature and purpose of non-employee benefit provisions

Asset remediation

Council has a legal/public obligation to make, restore, rehabilitate and reinstate the council tip and quarry.

Accounting policy for provisions

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Provisions (continued)

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

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

Employee benefits

Short-term obligations

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

Other long-term employee benefit obligations

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

On-costs

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

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

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

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

Rehabilitation

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

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

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

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



Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Provisions (continued)

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

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

The cost estimate for landfill rehabilitation has been based on phytocapping treatment which is yet to be approved by the EPA that recommends clay compaction. Estimated costs will increase if the EPA does not approve the different rehabilitation treatment.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

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

(ii) AASB 15 and AASB 1058

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

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

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

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

Licences

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

Prepaid rates

Under AASB 1004, rates were recorded as revenue at the earliest of receipt of the funds from the ratepayer and the beginning of the rating period. Under AASB 1058, prepaid rates are recognised as a financial liability until the beginning of the rating period.

Grants – operating

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

Grants – capital

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

Changes in presentation

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

- Additional line items of contract assets, contract cost assets and contract liabilities have been created.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

<i>\$ '000</i>	<i>Balance at 1 July 2019</i>
Opening contract balances at 1 July 2019	
Contract liabilities	
– Under AASB 15	56
– Under AASB 1058	657
Total Contract liabilities	<u>713</u>

Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

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

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

Statement of Financial Position

\$ '000	<i>Carrying amount per Statement of Financial Position under AASB 15 and AASB 1058</i>	<i>Reclassification</i>	<i>Remeasurement</i>	<i>Carrying amount under previous revenue standards</i>	<i>Notes</i>
Current assets					
Cash and cash equivalents	3,936	–	–	3,936	
Investments	7,631	–	–	7,631	
Receivables	2,549	921	–	3,470	
Inventories	798	–	–	798	
Contract assets	921	(921)	–	–	
Other	39	–	–	39	
Total current assets	15,874	–	–	15,874	
Current liabilities					
Payables	3,645	–	–	3,645	
Contract liabilities	1,571	–	(1,571)	–	
Borrowings	1,180	–	–	1,180	
Provisions	2,853	–	–	2,853	
Total current liabilities	9,249	–	(1,571)	7,678	
Non-current assets					
Infrastructure, property, plant and equipment	412,087	–	–	412,087	
Total non-current assets	412,087	–	–	412,087	
Non-current liabilities					
Borrowings	7,085	–	–	7,085	
Provisions	3,904	–	–	3,904	
Total Non-current liabilities	10,989	–	–	10,989	
Net assets	407,723	–	1,571	409,294	
Equity					
Accumulated surplus	278,105	–	1,571	279,676	
Revaluation reserves	129,618	–	–	129,618	
Council equity interest	407,723	–	1,571	409,294	
Total equity	407,723	–	1,571	409,294	

Funds under AASB 15 and AASB 1058 which have been received prior to the satisfaction of the performance obligation.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

Income Statement

\$ '000	<i>Income Statement and comprehensive income under AASB 15 and AASB 1058</i>	<i>Reclassification</i>	<i>Remeasurement</i>	<i>Income Statement and comprehensive income under previous revenue standards</i>	<i>Notes</i>
<u>Income from continuing operations</u>					
Rates and annual charges	10,548	–	–	10,548	
User charges and fees	3,467	–	–	3,467	
Other revenues	4,147	–	–	4,147	
Grants and contributions provided for operating purposes	10,332	–	30	10,362	
Grants and contributions provided for capital purposes	2,869	–	891	3,760	
Interest and investment income	153	–	–	153	
Reversal of revaluation decrements / impairment of IPP&E previously expensed	1,986	–	–	1,986	
Rental income	329	–	–	329	
Total Income from continuing operations	33,831	–	921	34,752	
<u>Expenses from continuing operations</u>					
Employee benefits and on-costs	12,366	–	–	12,366	
Borrowing costs	632	–	–	632	
Materials and contracts	6,595	–	–	6,595	
Depreciation and amortisation	8,259	–	–	8,259	
Other expenses	2,316	–	–	2,316	
Net losses from the disposal of assets	2,576	–	–	2,576	
Total Expenses from continuing operations	32,744	–	–	32,744	
Total Operating result from continuing operations	1,087	–	921	2,008	
Net operating result for the year	1,087	–	921	2,008	
Total comprehensive income	3,024	–	921	3,945	

Difference in revenue between recognition on receipt under the old standards and as/when performance obligations are met under the new standards.

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

Statement of Financial Position

\$ '000	<i>Original Balance 1 July, 2019</i>	<i>Impact Increase/ (decrease)</i>	<i>Restated Balance 1 July, 2019</i>
Contract assets	–	–	–
Total assets	425,097	–	425,097

Notes to the Financial Statements

for the year ended 30 June 2020

Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

<i>\$ '000</i>	<i>Original Balance 1 July, 2019</i>	<i>Impact Increase/ (decrease)</i>	<i>Restated Balance 1 July, 2019</i>
Contract liabilities	–	713	713
Total liabilities	19,685	713	20,398
Accumulated surplus	277,731	(713)	277,018
Total equity	405,412	(713)	404,699

Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. Statement of cash flow information

\$ '000	Notes	2020	2019
(a) Reconciliation of cash and cash equivalents			
Total cash and cash equivalents per Statement of Financial Position	7(a)	3,936	3,787
Balance as per the Statement of Cash Flows		3,936	3,787
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		1,087	3,831
Adjust for non-cash items:			
Depreciation and amortisation		8,259	8,265
Net losses/(gains) on disposal of assets		2,576	120
Adoption of AASB 15/1058		(713)	–
Reversal of prior year IPP&E revaluation decrements / impairment previously costed direct to the P&L		(1,986)	–
Unwinding of discount rates on reinstatement provisions		59	130
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(655)	363
Increase/(decrease) in provision for impairment of receivables		–	117
Decrease/(increase) in inventories		6	(8)
Decrease/(increase) in other current assets		(39)	3
Decrease/(increase) in contract assets		(921)	–
Increase/(decrease) in payables		(164)	161
Increase/(decrease) in accrued interest payable		(8)	(1)
Increase/(decrease) in other accrued expenses payable		794	270
Increase/(decrease) in other liabilities		(555)	441
Increase/(decrease) in contract liabilities		1,571	–
Increase/(decrease) in provision for employee benefits		131	27
Increase/(decrease) in other provisions		–	(333)
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		9,442	13,386

Notes to the Financial Statements

for the year ended 30 June 2020

Note 17. Commitments

\$ '000	2020	2019
Capital commitments (exclusive of GST)		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Purchase of Wheel Loader	–	148
Bingara Pool renewal	1,712	–
Total commitments	1,712	148
These expenditures are payable as follows:		
Within the next year	1,712	148
Total payable	1,712	148
Sources for funding of capital commitments:		
Unrestricted general funds	–	148
Future grants and contributions	1,712	–
Total sources of funding	1,712	148

Notes to the Financial Statements

for the year ended 30 June 2020

Note 18. 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 for 1 July 2019 to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2019. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities..

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

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

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

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

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2020 was \$ 258,490. The last valuation of the Scheme was performed by Mr Richard Boyfield, FIAA as at 30 June 2019.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 18. Contingencies (continued)

The amount of additional contributions included in the total employer contribution advised above is \$117,400. Council's expected contribution to the plan for the next annual reporting period is \$236,121.

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

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

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

Based on a Past Services Liabilities methodology, the share of surplus than can be attributed to Council is 0.29%.

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.

(v) The Community Mutual Group

Council provides bank guarantees to the value of \$263,460 to provide additional assistance to borrowers for home loans relating to properties within the local government area. The guarantees are provided to The Community Mutual Group.



Notes to the Financial Statements

for the year ended 30 June 2020

Note 18. Contingencies (continued)

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.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Financial risk management

Risk management

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

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

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

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

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

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

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

\$ '000	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2020				
Possible impact of a 10% movement in market values	763	763	(763)	(763)
Possible impact of a 1% movement in interest rates	39	39	(39)	(39)
2019				
Possible impact of a 10% movement in market values	861	861	(861)	(861)
Possible impact of a 1% movement in interest rates	38	38	(38)	(38)

(b) Credit risk

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

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

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

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

Council makes suitable provision for doubtful receivables as required.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Financial risk management (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
2020						
Gross carrying amount	–	284	25	37	34	380
2019						
Gross carrying amount	–	269	22	24	29	344

Receivables - non-rates and annual charges

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

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

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2020						
Gross carrying amount	2,129	–	11	5	148	2,293
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	84.00%	5.42%
ECL provision	–	–	–	–	124	124
2019						
Gross carrying amount	1,433	78	125	–	38	1,674
Expected loss rate (%)	0.00%	0.00%	95.00%	0.00%	14.00%	7.41%
ECL provision	–	–	119	–	5	124

Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Financial risk management (continued)

(c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 - 5 Years	> 5 Years		
2020							
Trade/other payables	0.00%	49	2,008	1,347	–	3,404	3,404
Loans and advances	6.59%	–	2,643	4,348	3,017	10,008	8,265
Total financial liabilities		49	4,651	5,695	3,017	13,412	11,669
2019							
Trade/other payables	0.00%	44	1,871	1,500	–	3,415	3,415
Loans and advances	6.59%	–	1,795	6,361	3,648	11,804	9,540
Total financial liabilities		44	3,666	7,861	3,648	15,219	12,955

Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Material budget variations

Council's original financial budget for 19/20 was adopted by the Council on 27/06/2019 and is unaudited.

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

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

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

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

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
REVENUES				
Rates and annual charges	10,725	10,548	(177)	(2)% U
User charges and fees	3,328	3,467	139	4% F
Other revenues	3,674	4,147	473	13% F
Following the revaluation of roads assets a number of assets were identified that had previously not been included in the assets register, \$506k.				
Operating grants and contributions	11,755	10,332	(1,423)	(12)% U
Council had budgeted for all projects under the Stronger Country Communities and Drought Communities Programs to be completed in the financial year. A number of the projects are still not complete and as funding is only received based on the milestones in the grant agreements not all funding was received in the financial year.				
Capital grants and contributions	2,678	2,869	191	7% F
Interest and investment revenue	179	153	(26)	(15)% U
Interest on investment was less than budget due to the continuing decline in interest rates.				
Net gains from disposal of assets	460	-	(460)	100% U
Council had budgeted for a profit on disposal however this did not materialise.				
Reversal of revaluation decrements / impairment of IPP&E previously expensed	-	1,986	1,986	∞ F
Following the revaluation of building assets the carrying value of assets increased and under the accounting standards any increase must first be allocated to prior decrements that have gone to the income statement.				
Rental income	320	329	9	3% F

Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Material budget variations

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
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EXPENSES

Employee benefits and on-costs	12,292	12,366	(74)	(1)%	U
Borrowing costs	520	632	(112)	(22)%	U

Council had not budgeted for the discount (non cash) adjustment on the remediation liabilities for landfill and quarries, \$59k, discount (non cash) adjustment on the Naroo Zero Real Interest Loan, \$43k and interest on Naroo bonds refund, \$16k.

Materials and contracts	8,546	6,595	1,951	23%	F
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A number of projects have not been completed or not commenced and have been carried over to the 2020/21 financial year.

Depreciation and amortisation	7,991	8,259	(268)	(3)%	U
Other expenses	3,019	2,316	703	23%	F

The following expense items came in under budget, electricity charges \$156k, donations \$146k, Emergency Services Levy \$52k, telephone and communications \$60k.

Net losses from disposal of assets	-	2,576	(2,576)	∞	U
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Council incurred losses on disposal of assets including the National Australia Bank building, plant and equipment and roads infrastructure residual value when roads are renewed.

STATEMENT OF CASH FLOWS

Cash flows from operating activities	9,430	9,442	12	0%	F
Cash flows from investing activities	(9,493)	(8,018)	1,475	(16)%	F

A number of capital projects were delayed or not commenced including grant funded works.

Cash flows from financing activities	(1,317)	(1,275)	42	(3)%	F
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Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Fair Value Measurement

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

– Infrastructure, property, plant and equipment

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

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

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

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

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

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

	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
2020					
Recurring fair value measurements					
Financial assets					
Investments					
– 'Held for trading'	30/06/20	–	7,631	–	7,631
Total financial assets		–	7,631	–	7,631
Infrastructure, property, plant and equipment					
Plant & Equipment	30/06/20	–	–	9,073	9,073
Office Equipment	30/06/20	–	–	307	307
Furniture & Fittings	30/06/20	–	–	713	713
Operational Land	01/07/19	–	–	5,917	5,917
Community Land	30/06/16	–	–	2,930	2,930
Land Improvements - depreciable	30/06/20	–	–	63	63
Buildings Specialised	01/07/19	–	–	29,145	29,145
Buildings Non-Specialised	01/07/19	–	–	27,695	27,695
Other Structures	30/06/16	–	–	4,640	4,640
Roads and bulk earthworks	30/06/20	–	–	256,199	256,199
Bridges	30/06/20	–	–	35,727	35,727
Footpaths	30/06/20	–	–	1,373	1,373
Stormwater Drainage	30/06/18	–	–	1,942	1,942
Water Supply Network	30/06/18	–	–	14,975	14,975
Sewerage Network	30/06/18	–	–	4,825	4,825
Swimming Pools	30/06/16	–	–	1,183	1,183
Other	30/06/16	–	–	159	159
Tip Asset	30/06/19	–	–	2,792	2,792
Quarry Asset	30/06/17	–	–	292	292
Work in Progress	30/06/20	–	–	12,137	12,137
Total infrastructure, property, plant and equipment		–	–	412,087	412,087

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Fair Value Measurement (continued)

2019	Date of latest valuation	Fair value measurement hierarchy			Total	
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs		
Recurring fair value measurements						
Financial assets						
Investments						
	– ‘Held for trading’	30/06/19	–	8,606	–	8,606
Total financial assets			–	8,606	–	8,606
Infrastructure, property, plant and equipment						
	Plant & Equipment	30/06/19	–	–	8,941	8,941
	Office Equipment	30/06/19	–	–	281	281
	Furniture & Fittings	30/06/19	–	–	699	699
	Operational Land	30/06/18	–	–	4,777	4,777
	Community Land	30/06/16	–	–	2,930	2,930
	Land Improvements - depreciable	-	–	–	–	–
	Buildings Specialised	30/06/18	–	–	15,597	15,597
	Buildings Non-Specialised	30/06/18	–	–	16,803	16,803
	Other Structures	30/06/16	–	–	4,404	4,404
	Roads and bulk earthworks	30/06/15	–	–	279,086	279,086
	Bridges	30/06/15	–	–	38,143	38,143
	Footpaths	30/06/15	–	–	2,666	2,666
	Stormwater Drainage	30/06/18	–	–	1,827	1,827
	Water Supply Network	30/06/18	–	–	15,150	15,150
	Sewerage Network	30/06/18	–	–	4,897	4,897
	Swimming Pools	30/06/16	–	–	2,393	2,393
	Other	30/06/16	–	–	138	138
	Tip Asset	30/06/17	–	–	3,305	3,305
	Quarry Asset	30/06/17	–	–	314	314
	Work in Progress	30/06/19	–	–	7,655	7,655
Total infrastructure, property, plant and equipment			–	–	410,006	410,006

(2) Transfers between level 1 and level 2 fair value hierarchies

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Fair Value Measurement (continued)

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

All assets have been valued at level 3 fair values

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

Highest and best use.

There were no assets valued where it was assumed that the highest and best use was other than its current use.

Valuation techniques and inputs.

Asset	Level of valuation input	Valuation technique	Gross (RC or MV) (\$, 000)	Accumulated Depreciation (\$,000)	Fair Value (\$, 000)
Land					
Saleable land	3	Market	5,917		5,917
Non saleable land	3	Cost	2,930		2,930
Total					
Buildings (cost approach)					
Specialised buildings	3	Market	36,990	7,845	29,145
Total					
Buildings (market/income approach)					
Residential Buildings	3	Market	39,073	11,378	27,695
Total					

Plant & Equipment, Office equipment, Furniture & Fittings and Other Structures

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

*Plant & Equipment	Trucks, tractors, ride-on-mowers, earthmoving equipment and motor vehicles.
*Office Equipment	Electronic whiteboards and computer equipment
*Furniture & Fittings	Chairs, desks and filing cabinets.
*Other structures	Fences, small sheds, water tanks and street bins

The key unobservable inputs to the valuations are the remaining useful life and residual value. Council reviews the value of these

Community land

All valuations of Community land are based upon the land valuations issued by the Valuer-General on a regular basis.

Valuation techniques used to derive fair values - land and buildings

The council engages external, independent and qualified valuers to determine the fair value of the entities land and buildings on a regular basis. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. If any variation is considered material a revaluation is undertaken either by comprehensive revaluation or by applying an interim evaluation using appropriate indices.

A comprehensive revaluation was undertaken by APV valuers for Operational Land and Building Asset Classes as at 1 July 2019.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Fair Value Measurement (continued)

The main level 3 inputs used are derived and evaluated as follows –

1. Relationship between asset consumption rating scale and the level of consumed service potential – Under the cost approach the
2. The consumption rating scales were based initially on the past experience of the valuation firm and industry guides and were then

(i) Recurring fair value measurements

The following methods are used to determine the fair value measurements.

Land

Level 3 valuation inputs were used to value land held in freehold title (investment and noninvestment) as well as land used for special purposes which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

Buildings

Level 3 valuation inputs

Specialised buildings were valued using the cost approach using professionally qualified Registered Valuers. The approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

Infrastructure assets

Highest and best use

There were no assets valued where it was assumed that the highest and best use was other than its current use.

The following methods are used to determine the fair value measurements.

Infrastructure assets

Level 3 valuation inputs

Infrastructure assets were valued using the cost approach using professionally qualified internal staff. The 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. The unit rates were based on inputs such as estimates of residual value, useful life, pattern of consumption and asset condition and required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

Swimming Pools

The fair value amount for this asset has been derived from assets originally classed in Other Structures. Swimming pools were valued as part of Other Structures on 30 June 2016 by APV Valuers. The valuation was based upon the depreciated replacement cost approach and unobservable inputs such as estimated patterns of consumption, residual value, asset condition and useful life require extensive professional judgement and rely on the experience of the valuer. The unobservable inputs place this class of asset at level 3. This has been no change to the valuation process during the reporting period.

Water System Assets

This class of assets includes water mains & reticulation, reservoirs, pumping stations and treatment works. The valuation is based on Modern Engineering Equivalent Replacement Asset (MEERA) and standard unit costs. The reference rates are obtained from the NSW Reference Rates Tables issued by NSW Office of Water. The last valuation was undertaken on 30 June 2018. The unobservable inputs are useful life, patterns of consumption, condition ratings, remaining life and residuals which rely on the skill and experience of the valuer. There has been no change to the valuation process during the reporting period.

Sewer System Assets

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Fair Value Measurement (continued)

This class of assets includes sewer mains & reticulation, pumping stations, treatment works and ancillary. The valuation is based on Modern Engineering Equivalent Replacement Asset (MEERA) and standard unit costs. The reference rates are obtained from the NSW Reference Rates Tables issued by NSW Office of Water. The last valuation was undertaken on 30 June 2018. The unobservable inputs are useful life, patterns of consumption, condition ratings, remaining life and residuals which rely on the skill and experience of the valuer. There has been no change to the valuation process during the reporting period.

Roads, Bridges, Bulk Earthworks and other Infrastructure Assets

This class of asset includes roads, culverts, bridges, footpaths, kerb & gutter, bulk earthworks and causeways. The valuation of the infrastructure assets has been undertaken internally by Council's Engineering Department by experienced Engineers. This valuation relies on key unobservable inputs such as unit rates, gross replacement cost, condition ratings, pattern of consumption, useful life and residual value. The valuation process also relied on the skill and experience of the Engineers. The key unobservable inputs and no active market places this asset category at Level 3. The last valuation was undertaken internally by Council's Engineers on 30 June 2020. There has been no change to the valuation process during the reporting year.

Stormwater Drainage

This class of assets includes culverts, mains, open drains, trash screens, GPT. The valuation is based on Modern Engineering Equivalent Replacement Asset (MEERA) and standard unit costs. The reference rates are obtained from the NSW Reference Rates Tables issued by NSW Office of Water. The last valuation was undertaken on 30 June 2018. The unobservable inputs are useful life, patterns of consumption, condition ratings, remaining life and residuals which rely on the skill and experience of the valuer. There has been no change to the valuation process during the reporting period.

Remediation Assets

This class of asset includes the various landfill sites within the local government areas. Restoration, cell capping, leachate collection and site closures have been recognised as significant costs for the remediation assets. In particular the closing of a landfill site will include preparation, final cell capping, site re-vegetation and leachate management. The key unobservable inputs are discount rate, estimated costs, legislative requirements, and timing of remediation and indexation of labour costs. There has been changes to the valuation process during the reporting period. Also included in this group are the various gravel pits (quarries) operated by Council. The remediation cost include final site management and works to comply with environmental requirements. The key unobservable inputs are discount rate, estimated costs, legislative requirements, and timing of remediation and indexation of labour costs. There has been changes to the valuation process during the reporting period.

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Fair Value Measurement (continued)

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

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

<i>\$ '000</i>	<i>Total IPP&E</i>
2019	
Opening balance	405,441
Transfers from/(to) another asset class	(397)
Purchases (GBV)	11,219
Disposals (WDV)	(383)
Depreciation and impairment	(8,265)
FV gains – other comprehensive income	342
Restate Provision	2,049
Closing balance	410,006
2020	
Opening balance	410,006
Purchases (GBV)	9,487
Disposals (WDV)	(3,070)
Depreciation and impairment	(8,259)
FV gains – other comprehensive income	1,937
Revaluation Increment to P&L	1,986
Restate Provision	–
Closing balance	412,087

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Fair Value Measurement (continued)

b. 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.

<i>\$ '000</i>	<i>Fair value (30/6/20)</i>	<i>Valuation technique/s</i>	<i>Unobservable inputs</i>
Infrastructure, property, plant and equipment			
Plant & Equipment	9,073	Cost	Gross Replacement Costs, Useful Life, Residual Value
Office equipment	307	Cost	Gross Replacement Costs, Useful Life, Residual Value
Furniture and fittings	713	Cost	Gross Replacement Costs, Useful Life, Residual Value
Operational land	5,917	Relevant sales in the area	Land Value
Community land	2,930	Land Values issued by Valuer General	Land Value
Land Improvements -depreciable	63	Depreciated Replacement Cost	Replacement Costs, Useful Life, Asset Condition
Buildings specialised	29,145	Depreciated Replacement Cost	Replacement Costs, Useful Life, Asset Condition
Buildings non-specialised	27,695	Depreciated Replacement Cost	Replacement Costs, Useful Life, Asset Condition
Other structures	4,640	Depreciated Replacement Cost	Replacement Costs, Useful Life, Asset Condition
Roads	256,199	Unit Rates and Condition Assessment	Replacement Costs, Useful Life, Asset Condition
Bridges	35,727	Unit Rates and Condition Assessment	Replacement Costs, Useful Life, Asset Condition
Footpaths	1,373	Unit Rates and Condition Assessment	Replacement Costs, Useful Life, Asset Condition
Stormwater drainage	1,942	Modern Engineering Equivalent Replacement Assets (MEERA) and Standard unit costs	Replacement Costs, Useful Life, Asset Condition
Water supply network	14,975	Modern Engineering Equivalent Replacement Assets (MEERA) and Standard unit costs	Replacement Costs, Useful Life, Asset Condition
Sewerage network	4,825	Depreciated Replacement Cost	Replacement Costs, Useful Life, Asset Condition
Swimming pools	1,183	Depreciated Replacement Cost	Gross Replacement Costs, Useful Life
Other	159	Depreciated Replacement Cost	Gross Replacement Costs, Useful Life
Tip asset	2,792	Unit Rates and Condition Assessment	Replacement Costs, Useful Life, Asset Condition
Quarry asset	292	Unit Rates and Condition Assessment	Replacement Costs, Useful Life, Asset Condition

(5) Highest and best use

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

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

Note 22. Related party disclosures

(a) Key management personnel

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

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

\$ '000	2020	2019
Compensation:		
Short-term benefits	694	803
Post-employment benefits	63	158
Total	757	961

(b) Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

<i>Nature of the transaction</i>	<i>Value of transactions during year</i>	<i>Outstanding balance (incl. loans and commitments)</i>	<i>Terms and conditions</i>	<i>Provisions for impairment of receivables outstanding</i>	<i>Expense recognised for impairment of receivables</i>
\$ '000					
2020					
Employee Expenses relating to close family members of KMP	213	–	Council staff award	–	–
Contractors	190	–	7 days on invoice	–	–
Purchase of vacant land	–	–		–	–
2019					
Employee Expenses relating to close family members of KMP	129	–	Council staff award	–	–
Contractors	217	–	7 days on invoice	–	–
Purchase of vacant land	85	–		–	–

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

Note 23. Statement of developer contributions

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas.

It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

Summary of contributions and levies

	as at 30/06/19			as at 30/06/20				
	Opening Balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
\$ '000								
S7.11 not under plans	500	195	–	3	(263)	–	435	–
Total contributions	500	195	–	3	(263)	–	435	–

S7.11 Contributions – not
under a plan

CONTRIBUTIONS NOT UNDER A PLAN

Roads	500	195	–	3	(263)	–	435	–
Total	500	195	–	3	(263)	–	435	–

Notes to the Financial Statements

for the year ended 30 June 2020

Note 24. Result by fund

\$ '000	Waste 2020	General ¹ 2020	Water 2020	Sewer 2020
Income Statement by fund				
Income from continuing operations				
Rates and annual charges	1,453	7,715	724	656
User charges and fees	–	2,448	957	62
Interest and investment revenue	43	63	11	36
Other revenues	144	3,993	9	1
Grants and contributions provided for operating purposes	–	10,332	–	–
Grants and contributions provided for capital purposes	–	2,869	–	–
Rental income	–	329	–	–
Reversal of revaluation decrements on IPPE previously expensed	–	1,986	–	–
Total income from continuing operations	1,640	29,735	1,701	755
Expenses from continuing operations				
Employee benefits and on-costs	427	11,185	428	326
Borrowing costs	5	499	128	–
Materials and contracts	783	5,126	440	246
Depreciation and amortisation	575	7,093	401	190
Other expenses	13	2,042	219	42
Net losses from the disposal of assets	–	2,568	8	–
Total expenses from continuing operations	1,803	28,513	1,624	804
Operating result from continuing operations	(163)	1,222	77	(49)
Net operating result for the year	(163)	1,222	77	(49)
Net operating result attributable to each council fund	(163)	1,222	77	(49)
Net operating result for the year before grants and contributions provided for capital purposes	(163)	(1,647)	77	(49)

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

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 24. Result by fund (continued)

\$ '000	Waste 2020	General ¹ 2020	Water 2020	Sewer 2020
Statement of Financial Position by fund				
ASSETS				
Current assets				
Cash and cash equivalents	1,074	1,557	270	1,035
Investments	2,100	2,931	500	2,100
Receivables	97	2,185	207	60
Inventories	–	776	21	1
Contract assets	–	921	–	–
Other	–	39	–	–
Total current assets	3,271	8,409	998	3,196
Non-current assets				
Infrastructure, property, plant and equipment	3,492	385,927	16,870	5,798
Total non-current assets	3,492	385,927	16,870	5,798
TOTAL ASSETS	6,763	394,336	17,868	8,994
LIABILITIES				
Current liabilities				
Payables	–	3,577	68	–
Contract liabilities	–	1,571	–	–
Borrowings	9	977	194	–
Provisions	–	2,853	–	–
Total current liabilities	9	8,978	262	–
Non-current liabilities				
Borrowings	40	5,620	1,425	–
Provisions	3,347	557	–	–
Total non-current liabilities	3,387	6,177	1,425	–
TOTAL LIABILITIES	3,396	15,155	1,687	–
Net assets	3,367	379,181	16,181	8,994
EQUITY				
Accumulated surplus	2,717	254,046	12,825	8,517
Revaluation reserves	650	125,135	3,356	477
Council equity interest	3,367	379,181	16,181	8,994
Total equity	3,367	379,181	16,181	8,994

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

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

Notes to the Financial Statements

for the year ended 30 June 2020

Note 25(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2020	Indicator 2020	Prior periods 2019	2018	Benchmark
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(1,192)	(4.11)%	(4.16)%	0.11%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	28,976				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	18,644	58.55%	55.16%	58.69%	>60.00%
Total continuing operating revenue ¹	31,845				
3. Unrestricted current ratio					
Current assets less all external restrictions	8,028	1.68x	1.56x	1.73x	>1.50x
Current liabilities less specific purpose liabilities	4,784				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	7,699	4.04x	4.23x	4.19x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	1,907				
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	439	4.00%	3.66%	3.90%	<10.00%
Rates, annual and extra charges collectible	10,973				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	3,936	1.92	1.97	1.90	>3.00
Monthly payments from cash flow of operating and financing activities	2,045	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

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

Note 25(b). Statement of performance measures – by fund

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2020	2019	2020	2019	2020	2019	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses	(4.63)%	(4.87)%	5.00%	1.54%	(6.49)%	5.33%	>0.00%
Total continuing operating revenue excluding capital grants and contributions							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions ¹	55.08%	51.29%	100.00%	100.00%	100.00%	99.75%	>60.00%
Total continuing operating revenue							
3. Unrestricted current ratio							
Current assets less all external restrictions	1.68x	1.67x	3.81x	4.11x	∞	∞	>1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	4.34x	4.73x	1.99x	1.61x	∞	∞	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates, annual charges, interest and extra charges outstanding percentage							
Rates, annual and extra charges outstanding	3.69%	3.37%	6.99%	5.94%	4.91%	5.07%	<10.00%
Rates, annual and extra charges collectible							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	1.40	1.51	2.31	1.28	20.23	20.99	>3.00
Payments from cash flow of operating and financing activities	mths	mths	mths	mths	mths	mths	mths

(1) - (2) Refer to Notes at Note 31a above.

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



INDEPENDENT AUDITOR'S REPORT
Report on the general purpose financial statements
Gwydir Shire Council

To the Councillors of Gwydir Shire Council

Opinion

I have audited the accompanying financial statements of Gwydir Shire Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been prepared, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

The Council's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

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

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 20 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Chris Harper
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

2 November 2020
SYDNEY



Cr John Coulton
Mayor
Gwydir Shire Council
PO Box 5
BINGARA NSW 2404

Contact: Chris Harper
Phone no: 02 9275 7374
Our ref: D2024729/1736

2 November 2020

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2020
Gwydir Shire Council**

I have audited the general purpose financial statements (GPFS) of Gwydir Shire Council (the Council) for the year ended 30 June 2020 as required by section 415 of the *Local Government Act 1993* (the Act).

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

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2020 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2020	2019	Variance
	\$m	\$m	%
Rates and annual charges revenue	10.5	10.3	↑ 1.9
Grants and contributions revenue	13.2	14.8	↓ 10.8

Operating result from continuing operations	1.1	3.8	71.1
Net operating result before capital grants and contributions	(1.8)	(1.3)	38.5

The Council's operating result from continuing operations (\$1.1 million including depreciation and amortisation expense of \$8.3 million) was \$2.7 million lower than the 2018–19 result. This is mainly due to a reduction in grants and contributions of \$1.6 million, and an increase in employee benefits and oncost expense of \$759,000.

The net operating result before capital grants and contributions (\$1.8 million) was \$0.5 million lower than the 2018–19 result. This is due to the same factors as the reduction in operating result from continuing operations.

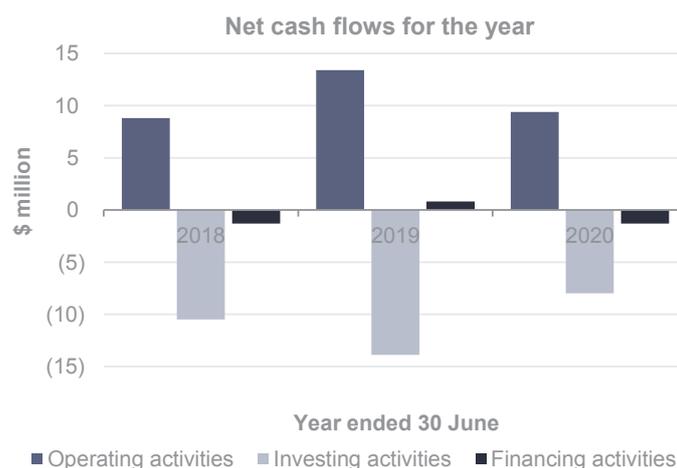
Rates and annual charges revenue (\$10.5 million) increased by \$234,000 (1.9 per cent) in 2019–20, mainly due to the normal rate peg allowance increases in the year.

Grants and contributions revenue (\$13.2 million) decreased by \$1.6 million (10.8 per cent) in 2019–20 due to:

- \$2 million decrease in capital transport grants due to completion of the Warialda bypass in the prior year and reduction in other grant funded projects
- \$845,000 reduction in RMS contributions for regional roads
- \$273,000 reduction in aged care grants used for building upgrades
- \$883,000 increase in roads to recovery funding provided by the Federal government
- \$911,000 increase in capital grants for the Big River Dreaming project and various stronger community capital projects.

STATEMENT OF CASH FLOWS

Cash from operations decreased by \$3.9 million due to lower grants and contributions. Cash outflows from investing decreased by \$5.9 million due to lower capital expenditure on IPPE and a net return of funds from investments. Cash from financing activities decreased by \$2.1 million due to no new borrowings in the current year and repayment of debt.



FINANCIAL POSITION

Cash and investments

Cash and investments	2020	2019	Commentary
	\$m	\$m	
External restrictions	6.9	7.4	<ul style="list-style-type: none"> Major external restrictions include water, sewer and domestic waste operations as well as grants for specific purposes. The main decrease related to a reduction in domestic waste reserves as a result of a current year deficit in operations.
Internal restrictions	4.6	4.9	
Unrestricted	0.1	0.1	
Cash and investments	11.6	12.4	<ul style="list-style-type: none"> Major internal restrictions include the financial assistance grant instalment received in advance and other waste reserves. Council has a policy of limiting unrestricted cash at year end.

PERFORMANCE

Performance measures

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

Operating performance ratio

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

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

The 2019–20 operating performance ratio arose due to a negative net operating result, caused by increases in operating expenses compared to 2018–19.



Own source operating revenue ratio

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

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

The own source operating revenue ratio has increased compared to 2018–19 due a decrease in grants in the current year.

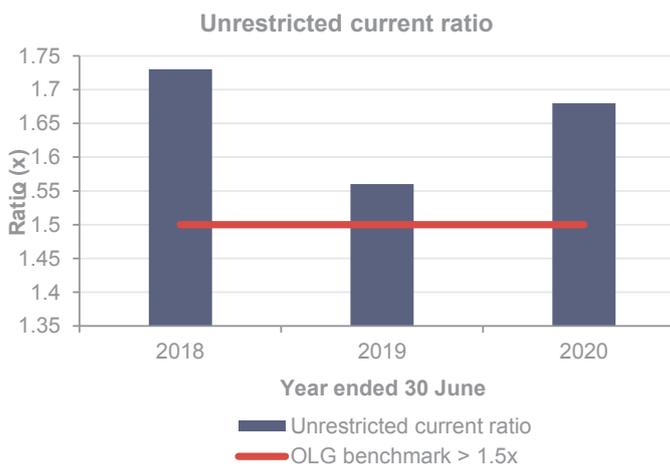


Unrestricted current ratio

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

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

The increase in the unrestricted current ratio is due to Council not using as much cash reserves for capital works in the current year and a reduction in aged care bonds.

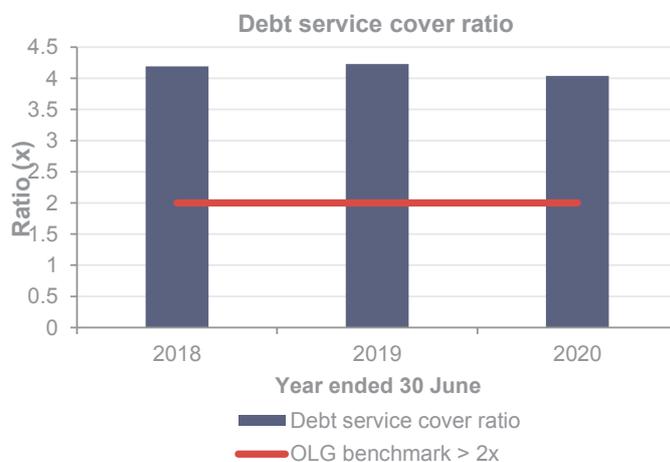


Debt service cover ratio

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

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

The debt service cover ratio remained consistent compared to prior years.

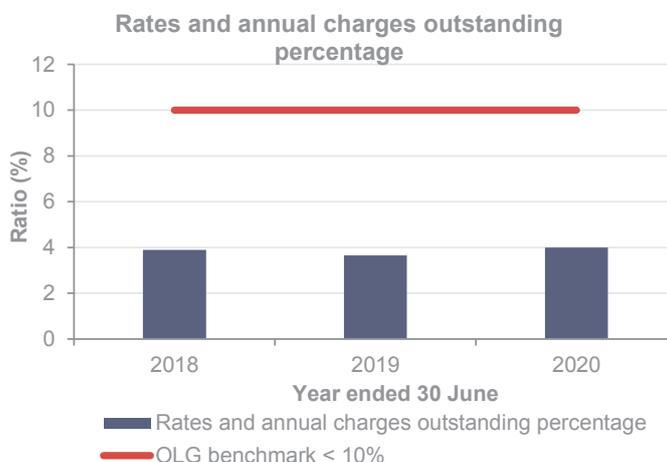


Rates and annual charges outstanding percentage

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

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

Council's rates and annual charges outstanding ratio has remained stable compared to the past two years.

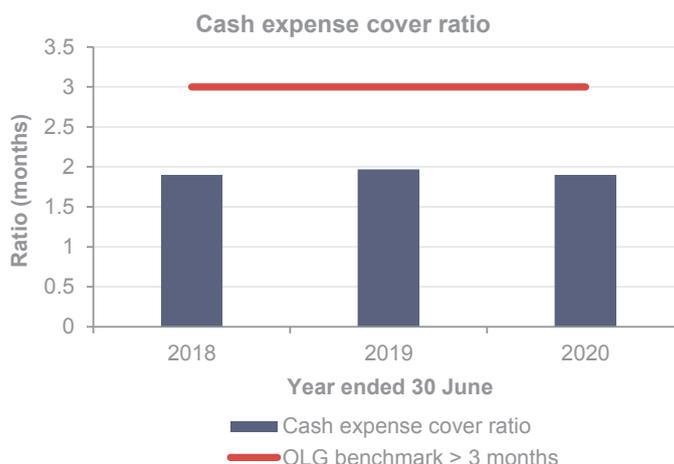


Cash expense cover ratio

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

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

The cash expense cover ratio has remained consistent compared to the past two years.



Infrastructure, property, plant and equipment renewals

Infrastructure, Property, Plant and Equipment (IPPE) renewal expenditure was \$7.5 million. This decreased by \$1.4 million compared to 2018–19 due to Council decreasing its road renewal works in accordance with its infrastructure management plans. Renewal expenditure was \$766,000 less than the depreciation expense for the year.

OTHER MATTERS

Impact of new accounting standards

AASB 15 'Revenue from Contracts with Customers' and AASB 1058 'Income for Not-for-Profit Entities'

The Council adopted the new accounting standards AASB 15 'Contracts with Customers' and AASB 1058 'Income of Not-for-Profit Entities' (collectively referred to as the Revenue Standards) for the first time in their 2019–20 financial statements.

AASB 15 introduces a new approach to recognising revenue based on the principle that revenue is recognised when control of a good or service transfers to a customer. AASB 15 impacts the timing and

amount of revenue recorded in a councils' financial statements, particularly for grant revenue. AASB 15 also increases the amount of disclosures required.

AASB 1058 prescribes how not-for-profit entities account for transactions conducted on non-commercial terms and the receipt of volunteer services. AASB 1058 significantly impacts the timing and amount of income recorded in a councils' financial statements, particularly for grant income and rates which are paid before the commencement of the rating period.

The Council recognised a \$713,000 adjustment to opening accumulated surplus at 1 July 2019 on adoption of the new revenue standards which related to first time recognition of contract liabilities

The Council disclosed the impact of adopting the new Revenue Standards in Note 15.

AASB 16 'Leases'

The Council adopted the new accounting standard AASB 16 'Leases' for the first time in their 2019–20 financial statements.

AASB 16 changes the way lessees treat operating leases for financial reporting. With a few exceptions, operating leases will now be recorded in the Statement of Financial Position as a right-of-use asset, with a corresponding lease liability.

AASB 16 results in lessees recording more assets and liabilities in the Statement of Financial Position and changes the timing and pattern of expenses recorded in the Income Statement.

There was no material impact on the financial statements for the 2019-20 year.

Legislative compliance

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

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



Chris Harper
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

cc: Mr Max Eastcott, General Manager
Mr Jack O'Hara, Chair of the Audit, Risk and Improvement Committee
Ms Helen Thomas, Finance Manager
Mr Paul Cornall, Principal, Forsyths



Gwydir Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2020



Special Purpose Financial Statements

for the year ended 30 June 2020

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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).

Special Purpose Financial Statements

for the year ended 30 June 2020

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

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

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

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

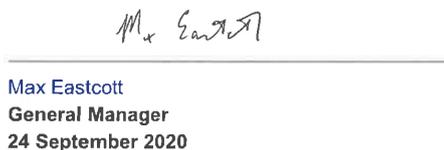
- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records.
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

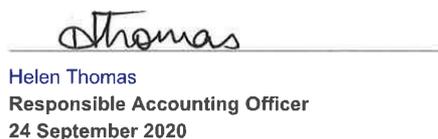
We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 24 September 2020.


Cr John Coulton
Mayor
24 September 2020


Cr Catherine Egan
Councillor
24 September 2020


Max Eastcott
General Manager
24 September 2020


Helen Thomas
Responsible Accounting Officer
24 September 2020

Income Statement – Water Supply Business Activity for the year ended 30 June 2020

\$ '000	2020	2019
Income from continuing operations		
Access charges	724	723
User charges	950	1,046
Fees	7	3
Interest	11	17
Other income	9	35
Total income from continuing operations	1,701	1,824
Expenses from continuing operations		
Employee benefits and on-costs	428	457
Borrowing costs	128	143
Materials and contracts	440	544
Depreciation, amortisation and impairment	401	423
Loss on sale of assets	8	20
Other expenses	219	229
Total expenses from continuing operations	1,624	1,816
Surplus (deficit) from continuing operations before capital amounts	77	8
Surplus (deficit) from continuing operations after capital amounts	77	8
Surplus (deficit) from all operations before tax	77	8
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(21)	(2)
SURPLUS (DEFICIT) AFTER TAX	56	6
Plus accumulated surplus	12,748	12,740
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	21	2
Closing accumulated surplus	12,825	12,748
Return on capital %	1.2%	0.9%
Subsidy from Council	–	67
Calculation of dividend payable:		
Surplus (deficit) after tax	56	6
Surplus for dividend calculation purposes	56	6
Potential dividend calculated from surplus	28	3

Income Statement – Sewerage Business Activity

for the year ended 30 June 2020

\$ '000	2020	2019
Income from continuing operations		
Access charges	656	655
User charges	61	70
Fees	1	–
Interest	36	80
Other income	1	1
Total income from continuing operations	755	806
Expenses from continuing operations		
Employee benefits and on-costs	326	284
Materials and contracts	246	238
Depreciation, amortisation and impairment	190	196
Other expenses	42	45
Total expenses from continuing operations	804	763
Surplus (deficit) from continuing operations before capital amounts	(49)	43
Grants and contributions provided for capital purposes	–	2
Surplus (deficit) from continuing operations after capital amounts	(49)	45
Surplus (deficit) from all operations before tax	(49)	45
Less: corporate taxation equivalent (27.5%) [based on result before capital]	–	(12)
SURPLUS (DEFICIT) AFTER TAX	(49)	33
Plus accumulated surplus	8,566	8,521
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	–	12
Closing accumulated surplus	8,517	8,566
Return on capital %	(0.8)%	0.8%
Subsidy from Council	100	29
Calculation of dividend payable:		
Surplus (deficit) after tax	(49)	33
Less: capital grants and contributions (excluding developer contributions)	–	(2)
Surplus for dividend calculation purposes	–	31
Potential dividend calculated from surplus	–	16

Income Statement – Waste business activity for the year ended 30 June 2020

\$ '000	2020 Category 2	2019 Category 2
Income from continuing operations		
Access charges	1,453	1,438
Interest	43	71
Other income	144	80
Total income from continuing operations	1,640	1,589
Expenses from continuing operations		
Employee benefits and on-costs	427	393
Borrowing costs	5	5
Materials and contracts	783	784
Depreciation, amortisation and impairment	575	186
Other expenses	13	(318)
Total expenses from continuing operations	1,803	1,050
Surplus (deficit) from continuing operations before capital amounts	(163)	539
Surplus (deficit) from continuing operations after capital amounts	(163)	539
Surplus (deficit) from all operations before tax	(163)	539
Less: corporate taxation equivalent (27.5%) [based on result before capital]	–	(148)
SURPLUS (DEFICIT) AFTER TAX	(163)	391
Plus accumulated surplus	2,880	2,341
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	–	148
Closing accumulated surplus	2,717	2,880
Return on capital %	(4.5)%	13.8%
Subsidy from Council	189	–

Income Statement – Naroo aged care for the year ended 30 June 2020

\$ '000	2020 Category 1	2019 Category 1
Income from continuing operations		
Rentals	2,690	2,437
Interest	11	8
Other income	–	1
Total income from continuing operations	<u>2,701</u>	<u>2,446</u>
Expenses from continuing operations		
Employee benefits and on-costs	2,071	2,079
Borrowing costs	145	150
Materials and contracts	384	385
Depreciation, amortisation and impairment	116	192
Other expenses	104	113
Total expenses from continuing operations	<u>2,820</u>	<u>2,919</u>
Surplus (deficit) from continuing operations before capital amounts	(119)	(473)
Grants and contributions provided for capital purposes	88	361
Surplus (deficit) from continuing operations after capital amounts	<u>(31)</u>	<u>(112)</u>
Surplus (deficit) from all operations before tax	<u>(31)</u>	<u>(112)</u>
SURPLUS (DEFICIT) AFTER TAX	<u>(31)</u>	<u>(112)</u>
Plus accumulated surplus	(471)	(359)
Plus adjustments for amounts unpaid:		
Closing accumulated surplus	<u>(502)</u>	<u>(471)</u>
Return on capital %	0.4%	(7.5)%
Subsidy from Council	37	380

Statement of Financial Position – Water Supply Business Activity

as at 30 June 2020

\$ '000	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	270	170
Investments	500	390
Receivables	207	279
Inventories	21	20
Total current assets	<u>998</u>	<u>859</u>
Non-current assets		
Infrastructure, property, plant and equipment	16,870	16,516
Total non-current assets	<u>16,870</u>	<u>16,516</u>
TOTAL ASSETS	<u>17,868</u>	<u>17,375</u>
LIABILITIES		
Current liabilities		
Payables	68	28
Borrowings	194	181
Total current liabilities	<u>262</u>	<u>209</u>
Non-current liabilities		
Borrowings	1,425	1,618
Total non-current liabilities	<u>1,425</u>	<u>1,618</u>
TOTAL LIABILITIES	<u>1,687</u>	<u>1,827</u>
<u>NET ASSETS</u>	<u>16,181</u>	<u>15,548</u>
EQUITY		
Accumulated surplus	12,825	12,748
Revaluation reserves	3,356	2,800
<u>TOTAL EQUITY</u>	<u>16,181</u>	<u>15,548</u>

Statement of Financial Position – Sewerage Business Activity

as at 30 June 2020

\$ '000	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	1,035	992
Investments	2,100	2,300
Receivables	60	68
Inventories	1	1
Total current assets	3,196	3,361
Non-current assets		
Infrastructure, property, plant and equipment	5,798	5,463
Total non-current assets	5,798	5,463
TOTAL ASSETS	8,994	8,824
NET ASSETS	8,994	8,824
EQUITY		
Accumulated surplus	8,517	8,566
Revaluation reserves	477	258
TOTAL EQUITY	8,994	8,824

Statement of Financial Position – Waste business activity

as at 30 June 2020

\$ '000	2020 <i>Category 2</i>	2019 <i>Category 2</i>
ASSETS		
Current assets		
Cash and cash equivalents	1,074	855
Investments	2,100	1,950
Receivables	97	86
Total current assets	<u>3,271</u>	<u>2,891</u>
Non-current assets		
Infrastructure, property, plant and equipment	3,492	3,954
Total non-current assets	<u>3,492</u>	<u>3,954</u>
TOTAL ASSETS	<u>6,763</u>	<u>6,845</u>
LIABILITIES		
Current liabilities		
Payables	–	1
Borrowings	9	8
Total current liabilities	<u>9</u>	<u>9</u>
Non-current liabilities		
Borrowings	40	49
Provisions	3,347	3,306
Total non-current liabilities	<u>3,387</u>	<u>3,355</u>
TOTAL LIABILITIES	<u>3,396</u>	<u>3,364</u>
NET ASSETS	<u>3,367</u>	<u>3,481</u>
EQUITY		
Accumulated surplus	2,717	2,880
Revaluation reserves	650	601
TOTAL EQUITY	<u>3,367</u>	<u>3,481</u>

Statement of Financial Position – Naroo aged care
as at 30 June 2020

\$ '000	2020 Category 1	2019 Category 1
ASSETS		
Current assets		
Cash and cash equivalents	700	290
Receivables	48	75
Total current assets	<u>748</u>	<u>365</u>
Non-current assets		
Infrastructure, property, plant and equipment	7,176	4,318
Total non-current assets	<u>7,176</u>	<u>4,318</u>
TOTAL ASSETS	<u>7,924</u>	<u>4,683</u>
LIABILITIES		
Current liabilities		
Contract liabilities	329	–
Aged care bonds	1,747	2,415
Bank overdraft	1,945	1,051
Borrowings	164	155
Total current liabilities	<u>4,185</u>	<u>3,621</u>
Non-current liabilities		
Borrowings	2,267	2,431
Other Liabilities	117	117
Total non-current liabilities	<u>2,384</u>	<u>2,548</u>
TOTAL LIABILITIES	<u>6,569</u>	<u>6,169</u>
NET ASSETS	<u>1,355</u>	<u>(1,486)</u>
EQUITY		
Accumulated surplus	(502)	(471)
Revaluation reserves	1,857	(1,015)
TOTAL EQUITY	<u>1,355</u>	<u>(1,486)</u>

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2020

Note 1. Significant Accounting Policies

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

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

The figures presented in these Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the Local Government Act 2093 (NSW), the *Local Government (General) Regulation 2005*, and the Local Government Code of Accounting Practice and Financial Reporting.

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

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

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The *Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

Declared business activities

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

Category 1

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

Naroo Aged Care Facility

Comprising the whole of the operations and assets of the aged care facility located at Warialda.

Category 2

(where gross operating turnover is less than \$2 million)

Gwydir Water Supply -

Comprising the whole of the operations and net assets of the water supply systems servicing the towns of Bingara, Warialda, Gravesend and North Star.

Gwydir Sewerage Services -

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2020

Note 1. Significant Accounting Policies (continued)

Comprising the whole of the operations and assets of the sewerage reticulation and treatment systems servicing the towns of Bingara and Warialda

Gwydir Waste Management Services -

Comprising the whole of the operations and assets of the waste management service carried out by the Waste Management contract servicing all towns and villages within Gwydir Shire

Monetary amounts

Amounts shown in the financial statements are in Australian dollars and rounded to the nearest one thousand dollars.

(i) Taxation equivalent charges

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

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

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

Notional rate applied (%)

Corporate income tax rate – 27.5%

Land tax – the first \$734,000 of combined land values attracts 0%. For the combined land values in excess of \$734,001 up to \$4,488,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$4,488,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$900,000.

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.

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

Note 1. Significant Accounting Policies (continued)

The rate applied of 27.5% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

A calculation of the equivalent rates and charges payable on all category 1 businesses has been applied to all land assets owned or exclusively used by the business activity.

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that council business activities face 'true' commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

(ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

(iii) Return on investments (rate of return)

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

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 0.88% at 30/6/20.

(iv) Dividends

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

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

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

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2019 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).



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

Note 1. Significant Accounting Policies (continued)

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



INDEPENDENT AUDITOR'S REPORT
Report on the special purpose financial statements
Gwydir Shire Council

To the Councillors of Gwydir Shire Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Gwydir Shire Council's (the Council) Declared Business Activities, which comprise the Statement by Councillors and Management, the Income Statement of each Declared Business Activity for the year ended 30 June 2020, the Statement of Financial Position of each Declared Business Activity as at 30 June 2020 and Note 1 Significant accounting policies for the Business Activities declared by Council.

The Declared Business Activities of the Council are:

- Water Supply
- Sewerage
- Waste
- Naroo aged care.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2020, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting – update number 28 (LG Code).

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in Note 1 to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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



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

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



Chris Harper
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

2 November 2020
SYDNEY



Gwydir Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2020



Special Schedules

for the year ended 30 June 2020

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Permissible income for general rates

\$ '000	Notes	Calculation 2020/21	Calculation 2019/20
Notional general income calculation ¹			
Last year notional general income yield	a	8,007	7,822
Plus or minus adjustments ²	b	21	(25)
Notional general income	c = a + b	8,028	7,797
Permissible income calculation			
Or rate peg percentage	e	2.60%	2.70%
Or plus rate peg amount	i = e x (c + g)	209	211
Sub-total	k = (c + g + h + i + j)	8,237	8,008
Plus (or minus) last year's carry forward total	l	16	15
Sub-total	n = (l + m)	16	15
Total permissible income	o = k + n	8,253	8,023
Less notional general income yield	p	8,237	8,007
Catch-up or (excess) result	q = o - p	15	16
Carry forward to next year ⁶	t = q + r + s	15	16

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the Valuation of Land Act 1916.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from Council's Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT
Special Schedule - Permissible income for general rates
Gwydir Shire Council

To the Councillors of Gwydir Shire Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Gwydir Shire Council (the Council) for the year ending 30 June 2021.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting – update number 28 (LG Code), and is in accordance with the books and records of the Council.

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

The Council's annual report for the year ended 30 June 2020 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2020.

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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



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

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



Chris Harper
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

2 November 2020
SYDNEY

Report on Infrastructure Assets
as at 30 June 2020

Asset Class	Asset Category	Estimated cost				Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard \$ '000	to bring to the agreed level of service set by Council \$ '000	2019/20 Required maintenance ^a \$ '000	2019/20 Actual maintenance \$ '000			1	2	3	4	5
(a) Report on Infrastructure Assets - Values												
Buildings	Buildings – non-specialised	802	–	325	325	27,695	39,073	20.0%	40.0%	28.0%	7.0%	5.0%
	Buildings – specialised	330	–	251	251	29,145	36,990	46.0%	28.0%	18.0%	8.0%	0.0%
	Sub-total	1,132	–	576	576	56,840	76,063	32.6%	34.2%	23.1%	7.5%	2.6%
Other structures	Other structures	–	–	6	6	4,640	6,473	67.0%	24.0%	7.0%	2.0%	0.0%
	Sub-total	–	–	6	6	4,640	6,473	67.0%	24.0%	7.0%	2.0%	0.0%
Roads	Sealed roads	523	–	1,058	1,058	147,120	158,040	53.0%	38.0%	6.0%	3.0%	0.0%
	Unsealed roads	378	–	1,361	1,361	25,254	36,117	42.0%	38.0%	13.0%	3.0%	4.0%
	Bridges	–	–	3	3	35,727	43,860	46.0%	50.0%	4.0%	0.0%	0.0%
	Footpaths	146	–	73	73	1,373	2,732	1.0%	21.0%	58.0%	20.0%	0.0%
	Kerb & Guttering	87	–	25	25	1,044	1,673	9.0%	52.0%	21.0%	15.0%	3.0%
	Sub-total	1,134	–	2,520	2,520	293,299	325,203	36.7%	29.9%	5.5%	2.0%	25.9%
Water supply network	Water supply network	148	–	446	446	14,975	23,264	64.0%	29.0%	3.0%	2.0%	2.0%
	Sub-total	148	–	446	446	14,975	23,264	64.0%	29.0%	3.0%	2.0%	2.0%
Sewerage network	Sewerage network	894	–	195	195	4,825	12,802	11.0%	50.0%	0.0%	38.0%	1.0%
	Sub-total	894	–	195	195	4,825	12,802	11.0%	50.0%	0.0%	38.0%	1.0%

Report on Infrastructure Assets (continued)
as at 30 June 2020

Asset Class	Asset Category	Estimated cost to bring to the agreed level of service set by Council		2019/20 Required maintenance ^(a)	2019/20 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring assets to agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Stormwater drainage	Stormwater drainage	174	–	30	30	1,942	4,095	4.0%	87.0%	0.0%	9.0%	0.0%
	Sub-total	174	–	30	30	1,942	4,095	4.0%	87.0%	0.0%	9.0%	0.0%
Open space / recreational assets	Swimming pools	–	–	213	213	1,183	1,368	0.0%	0.0%	100.0%	0.0%	0.0%
	Sub-total	–	–	213	213	1,183	1,368	0.0%	0.0%	100.0%	0.0%	0.0%
TOTAL - ALL ASSETS		3,482	–	3,986	3,986	377,704	449,268	36.7%	31.5%	8.5%	4.0%	19.3%

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

Infrastructure asset condition assessment 'key'

1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Report on Infrastructure Assets (continued)

as at 30 June 2020

\$ '000	Amounts 2020	Indicator 2020	Prior periods		Benchmark
			2019	2018	
Infrastructure asset performance indicators (consolidated) *					
Buildings and infrastructure renewals ratio ¹					
Asset renewals ²	7,189	156.18%	125.89%	60.05%	>=100.00%
Depreciation, amortisation and impairment	4,603				
Infrastructure backlog ratio ¹					
Estimated cost to bring assets to a satisfactory standard	3,482	0.92%	1.51%	1.34%	<2.00%
Net carrying amount of infrastructure assets	377,704				
Asset maintenance ratio					
Actual asset maintenance	3,986	100.00%	100.00%	100.00%	>100.00%
Required asset maintenance	3,986				
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	449,268				

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

(1) Excludes Work In Progress (WIP)

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

Report on Infrastructure Assets (continued)
as at 30 June 2020

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2020	2019	2020	2019	2020	2019	
Infrastructure asset performance indicators (by fund)							
Buildings and infrastructure renewals ratio ¹							
Asset renewals ²	167.59%	135.25%	43.86%	32.10%	140.53%	10.71%	>=100.00%
Depreciation, amortisation and impairment							
Infrastructure backlog ratio ¹							
Estimated cost to bring assets to a satisfactory standard	0.68%	1.29%	0.99%	1.49%	18.53%	17.99%	<2.00%
Net carrying amount of infrastructure assets							
Asset maintenance ratio							
Actual asset maintenance	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	>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							

(1) Excludes Work In Progress (WIP)

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