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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 2018-2019. 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 2018-2019 Financial Year. It is reporting on our performance against the 2018-2019 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



Gwydir Shire Council Newsletters

We send out Newsletters on a regular basis. These Newsletters are produced in-house with the purpose of providing the community and ratepayers with the latest Council related news and information.

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 invited 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



Once again, it is with pleasure that I introduce the Annual Report for Gwydir Shire Council. On behalf of my fellow Councillors I would like to thank Council staff for their continued efforts in delivery of high quality and diverse services. Despite being a geographically vast area, we are very proud of our Council's capacity to equitably distribute services. Council actively collaborates with community groups and residents in every locality within Gwydir Shire. 2018/19 delivered a net operating surplus of \$3.831m and our overall financial position has improved. We have a long pathway to become Fit for the Future given we do not meet all of the criteria imposed by the NSW State Government, and the net operating result for the year before grants and contributions provided for capital purposes was actually a loss of \$1.283m.

The grants and contributions received through the NSW Stronger Country Communities Fund and Federal Drought Communities Program saw many community facilities renovated and I encourage you to read through this Report in order to appreciate the magnitude of the works undertaken and the benefits delivered.

This achievement is particularly impressive given the ongoing dry conditions.

Challenging drought conditions affected Council's gravel re-sheeting works through the year as sourcing water proved a challenge, and the increased traffic transporting stock fodder impacted the roads. 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, some roads can be left with a quantity of loose rock on the wearing surface. To address this, Council introduced the practice of intensive maintenance. This process involves windrowing existing pavement that is deficient in clay binding fines, and crushing it in-situ using a tractor mounted crusher. 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. The result is a renewed road pavement comparable to a newly re-sheeted road, without the costs associated with carting new material to site. This approach represents significant value for money in gravel road rehabilitation, although it is still dependant on water for compaction and thus faces the same water haulage issues as Council's re-sheeting program.

The drought also triggered the 'Heat and Dry' initiative whereby Council provided free access to its community pools and air conditioned facilities. Further, Council employed casual labourers and engaged local contractors to undertake many of the externally funded projects so that funds received were circulated within the local economy.

The most pleasing of achievements for Gwydir Shire is that it continues to grow. Many rural and remote communities are contracting and yet during 2018/19 we welcomed more residents and our population increased.

In closing, I also thank my fellow Councillors for the contribution they make to the community. We work well together and with Council staff. It is through this cohesion we are able to work through challenges and issues as they arise. We discuss and debate but when a decision is made and a resolution adopted every Councillor owns and supports it.

*Cr. John Coulton,
Mayor*

General Manager's Report



Council's financial result this year is pleasing with over a \$3 000 000 profit. This is attributed to a significant increase in Capital grant funding through the Stronger Country Community Funding and the Drought Relief funding.

Other income also increased due to the recognition of Crown Land Assets not previously recognised as shown in Note 3 of the Financial Statements. With further grant funding being received in the future year, Council is in a strong position to provide the Community with further projects in its towns and villages.

This past year has been very challenging for so many within our community. According to the Department of Primary Industries, the current drought began to really take effect in NSW in mid- 2018 and it is equivalent to a major drought event on the long term historical record (100 Years). The drought continues and the impacts on our community are noticeable.

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.

The Council facilitated a series of community meetings across the Shire to offer support and to provide vital information for services that were able to help those in need. In addition to this, Council is working as part of the Namoi Joint Organisation of Councils to lobby the State and Federal Governments for support.

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. Council supplies water deliveries with two tankers and the demand has increased steadily throughout the reporting period. Council made a total of 321 deliveries between December 2018 and June 2019 delivering a total of 3,644,000 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.

Drought conditions made a significant impact on the maintenance of Council's unsealed road network during 2018/2019. Maintenance grading is heavily dependent upon regular rainfall in order to bind and compact pavement material as it is reshaped and brought from the edge of the road back onto the formation. Moisture also plays a large role in minimising dust for both regular traffic and during maintenance. Often, grading a road without water only creates a



loose and rubbly surface which often poses an unacceptable safety risk, so the practice is avoided wherever possible. Council has deployed additional watercarts and rollers with its maintenance graders where funds permit, carting from secure water sources in Warialda, Bingara and North Star.

Despite the challenges faced during the 2018/2019 year, Council was able to successfully deliver a 64.8km re-sheeting program along with significant routine and intensive maintenance exercises across its 1400+km unsealed road network.

This report outlines the wonderful community projects that the Council was able to deliver during this reporting period directly as a result of the Stronger Country Communities and Drought Communities Program. 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.

Substantial progress was made on the Warialda High Productivity Vehicle (HPV) Route and Truck Wash Facility in 2018/2019. The design and construction of a new bridge across Warialda Creek was completed in November 2018 and more than 1km of greenfields road construction completed on the HPV Route alignment. The truck wash facility (due to open early 2020) incorporates wash down bays for 2 road trains and effluent dump points for holding tanks on stock trucks. The facility also includes an amenities building with showers and toilets. Upon completion, the two projects will significantly improve the amenity of the surrounding area removing the risk of effluent spillage along with heavy vehicle traffic from the Warialda CBD.

Council was also successful in their grant application for \$487,455.00 through the Commonwealth Government's Aged Care Regional Rural and Remote Infrastructure Grant Program to refurbish the kitchen at Naroo and build a Manager's Office. This work is scheduled to commence in the near future. In addition to this Naroo Aged Care Facility successfully passed all 44 Aged Care Quality standards required for accreditation.

A full organisational review commenced during this reporting period with the objective of increasing efficiencies and addressing historical anomalies that had evolved over time. This will continue into the next financial year.

It is always difficult to choose what to highlight in my welcoming address for the Annual Report; this year was particularly challenging due to the fact that there were so many significant infrastructure projects completed which are outlined in this report.

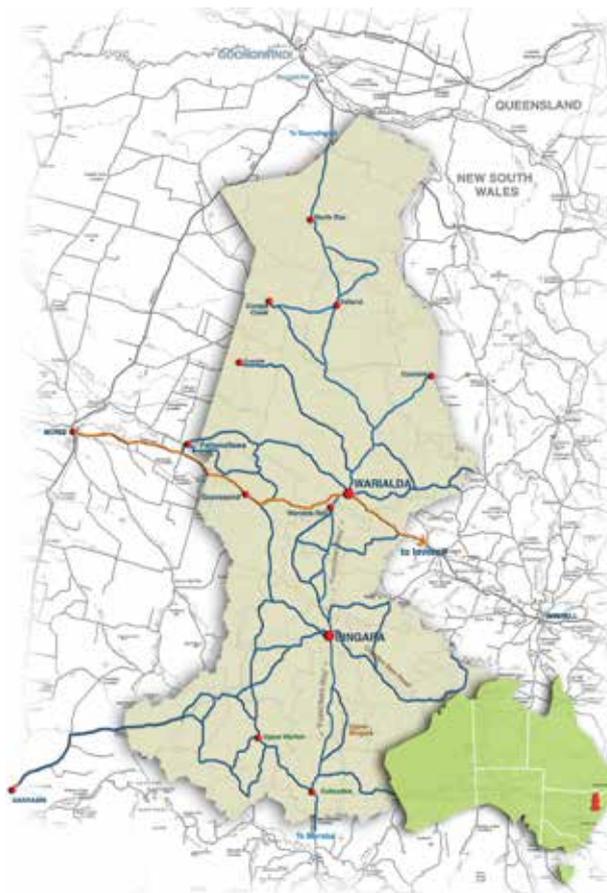
M Eastcott
General Manager

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).

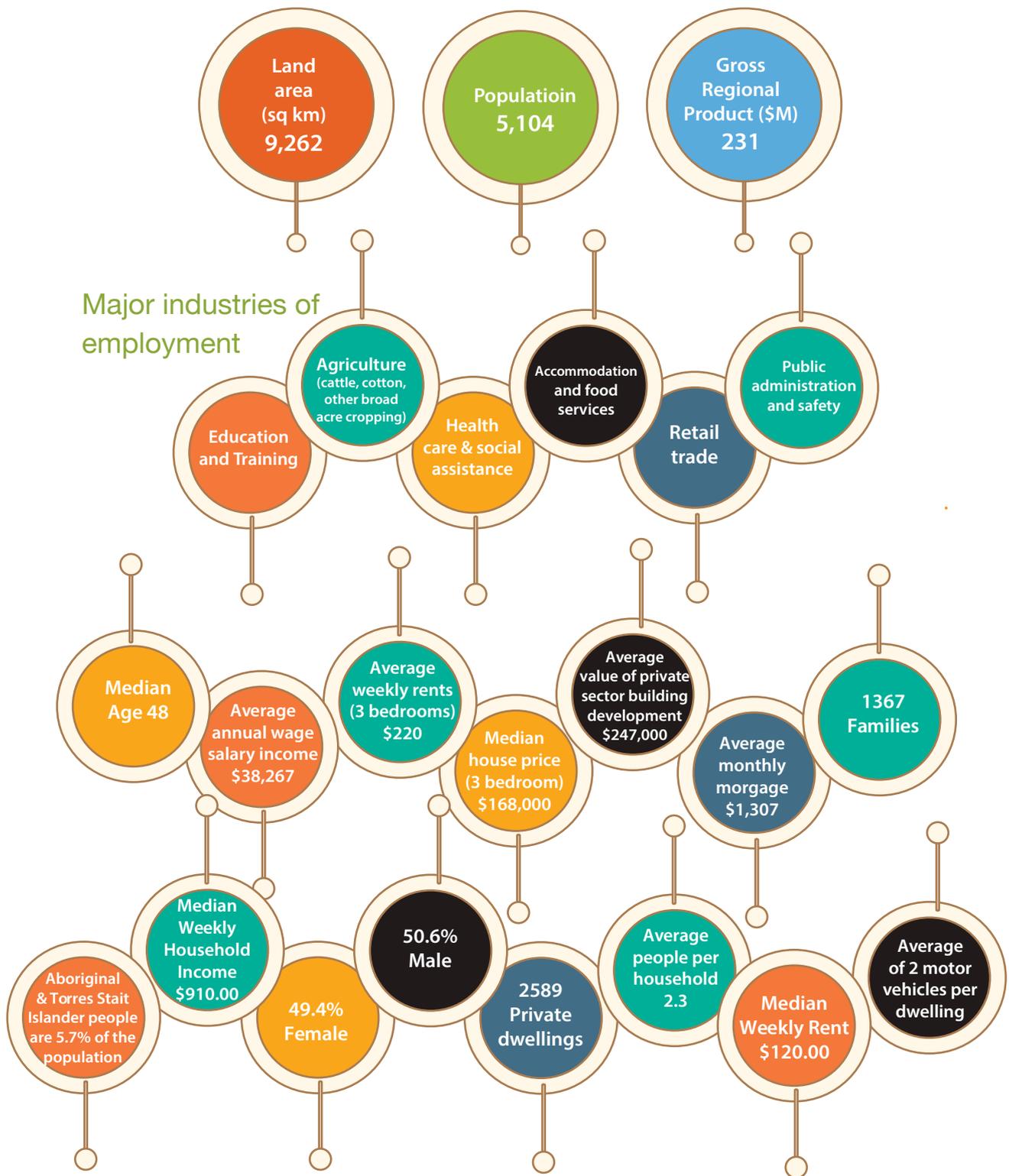
In June 2015, Gwydir Shire had an estimated population of 5,068. The Shire has two small towns, Bingara and Warialda, located approximately 40km apart. Bingara services the southern part of the Shire. Located on the Gwydir River at the intersection of the Fossickers Way and Nature's Way (State Touring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

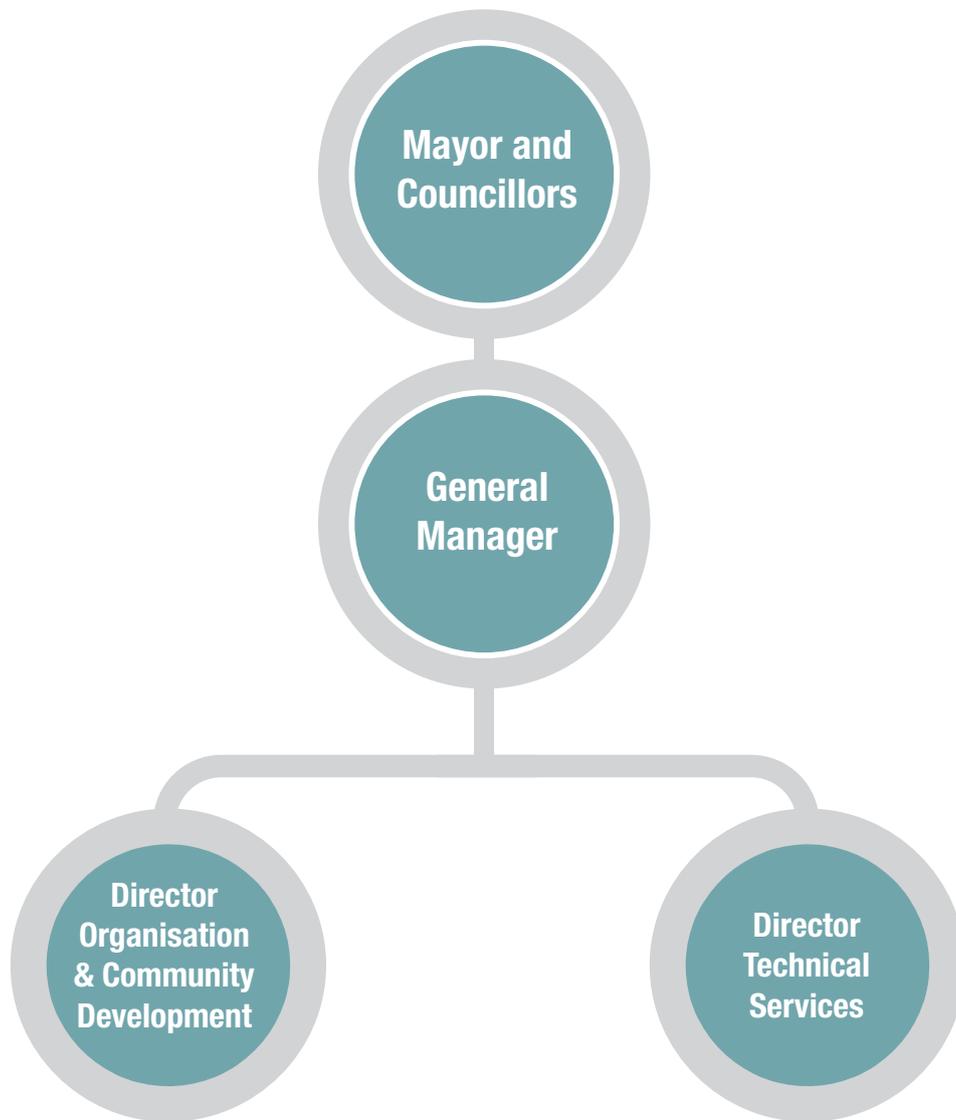
Australian Bureau of Statistics www.abs.gov.au

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 2017/18 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
6-8 Saleyards 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 2018-2019.

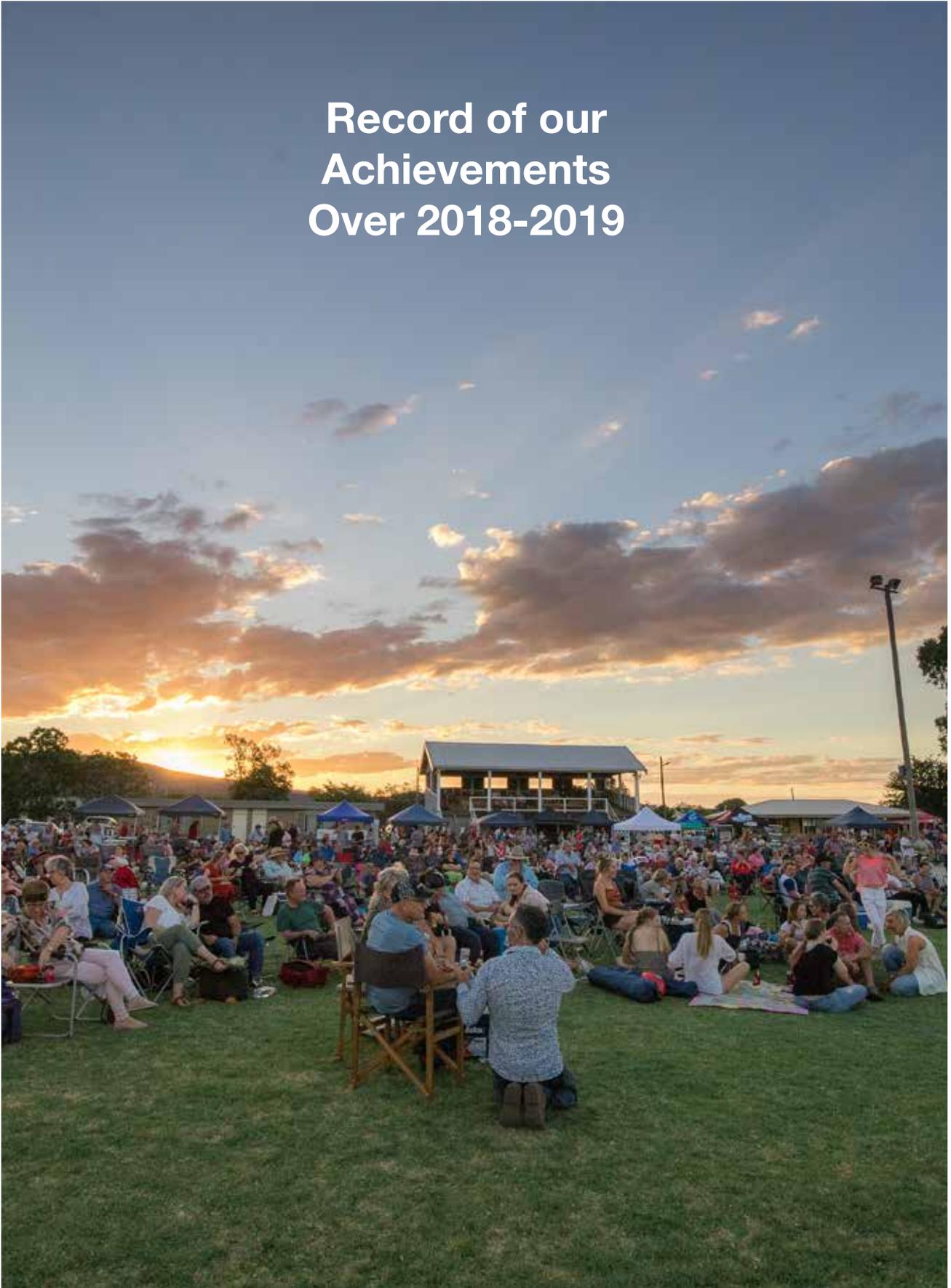
Section 2 – Statutory Reporting Requirements

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 2019, including an Income Statement, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows.

Record of our Achievements Over 2018-2019





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 79 actions to be completed over the period 2017 – 2021.

With 37 actions being completed by 30 June 2019.

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.

Develop a Gwydir Shire Youth Council

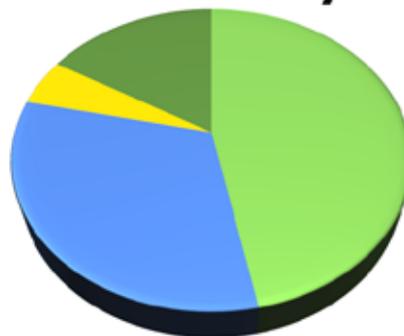
Construct educational and activity focused pathways for walking & cycling at The Living Classroom

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

Continue to promote our Shire through the Willoughby Youth Exchange

Replace Warialda CHSP Bus

Progress Report - Actions - A healthy and cohesive community



● Complete ● Scheduled Later Years ● Partially Complete ● Not Funded



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 116 actions to be completed over the period 2017 – 2021. With 56 actions being completed by 30 June 2019.

Some of the achievements have included.

Roads to Recovery Program

Water Meter Replacement Program

Mains Replacement Program

Tyre Changing and Balancing Equipment

Inform the Gwydir community of upcoming grants available

Warialda Elevated Water Tower Tank Replacement

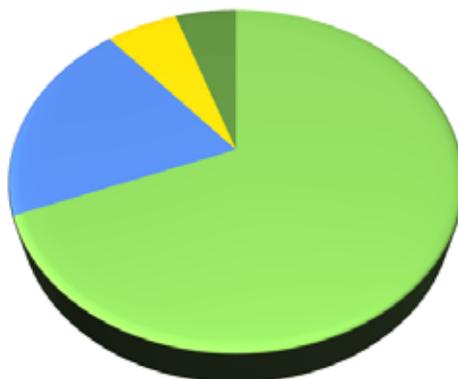
Roxy Café Lease

Development of Shire Wide Tourism

Brochure to replace Bingara & Warialda brochures

Develop an investment prospectus for attracting new businesses to the Shire

Progress Report Actions - Building the Business Base



● Complete ● Scheduled Later Years ● Partially Complete ● Not Funded



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 74 actions to be completed over the period 2017 – 2021 with 29 actions being completed by 30 June 2019.

Some of the achievements have included.

Gwydir River Foreshore Management Plan – Will be progressive over several years, however the implementation of this plan is underway

Manage Noxious Weeds

Delivery of workshops through Gwydir Learning Region

Support the existing agricultural industry and provide new opportunities

Climate Change Adaptation Plan

Progress Actions - An environmentally responsible shire



● Complete ● Scheduled Later Years ● Partially Complete ● Not Funded



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 39 actions to be completed over the period 2017 – 2021.

Some of the achievements have included.

Host Quarterly welcome evenings for new residents

Improve Communicating events and happenings within our community

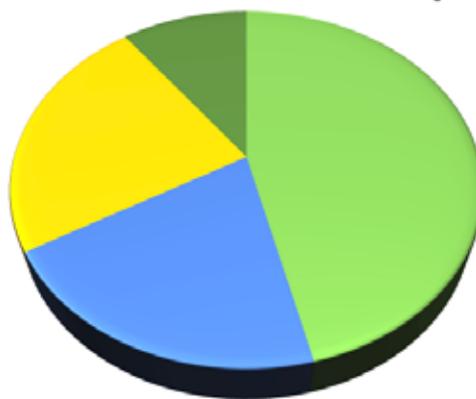
Facilitate mentoring workshops through the Gwydir Learning Region

Council will continue to liaise with community sporting groups to ensure Council’s sporting facilities are fit for purpose and utilised safely and effectively

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

Progress Actions - Proactive regional and local leadership



● Complete ● Scheduled Later Years ● Partially Complete ● Not Funded

Our Financial Achievements

Gwydir Shire Council has returned a net profit of almost \$4 million. This result has mainly been attributed to Council receiving a higher than usual amount of grant funding for capital projects. This is a pleasing result and Council will continue to work to achieve results like this.

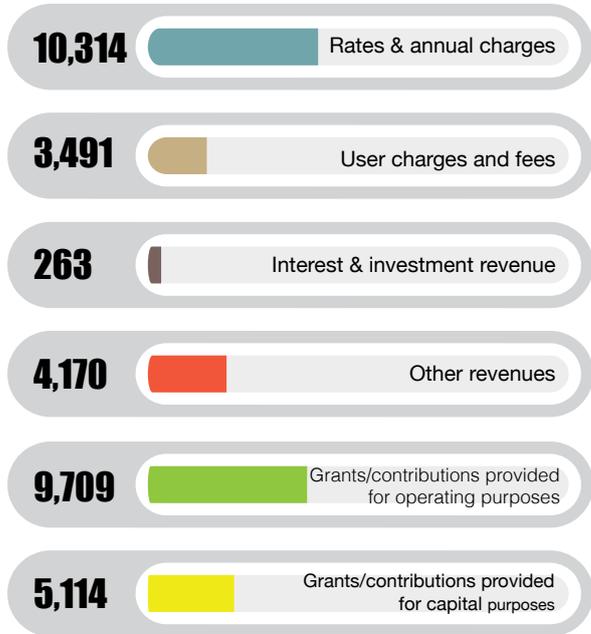
The breakdown of monies that Council receives and expends are tabled below.

Income Statement	(\$'000)
Total Income from Continuing Operations	\$33,061
Total Expenses from Continuing Operations	\$29,230
Net Operating Result from Continuing Operations	\$3,831
Net Operating Result before Capital Grants and Contributions	(\$1,283)

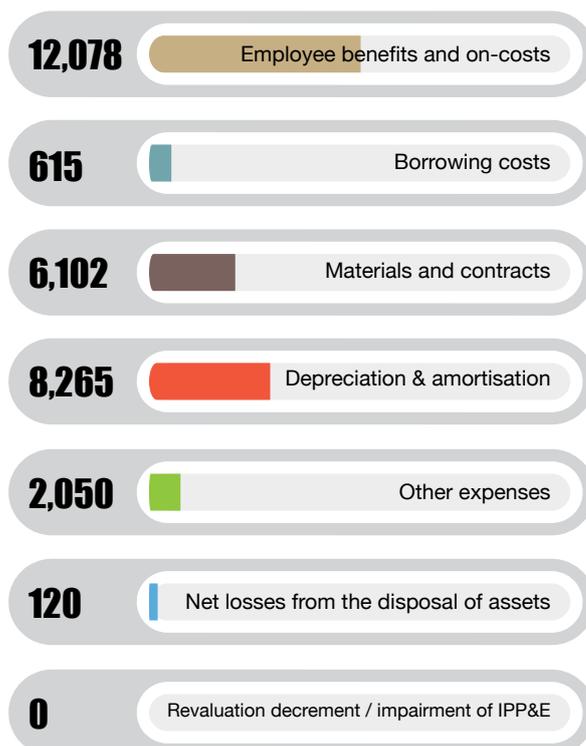
Balance Sheet	(\$'000)
Total Current Assets	\$15,091
Total Current Liabilities	\$7,577
Net Current Assets	\$7,514
Total Non-Current Assets	\$410,006
Total Non-Current Liabilities	\$12,108
Total Equity	\$405,412

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

Drought Communities Program

The objective of the program was to deliver support to targeted drought-affected regions of Australia by funding local community infrastructure and other drought relief projects. Gwydir Shire Council received \$1,000,000 under this program.

The intended outcomes of this program were to:

- increase employment in regions by providing work for locals and/or farmers and farm labourers/staff/contractors whose employment opportunities have been affected by drought
- improve levels of economic activity in regions



- increase productivity in regions
- enable better retention of businesses, services and facilities.

When determining whether a project met the Programme criteria, the below points were considered:

- Will the project lead to the employment of locals?
- Will the project contribute to the economic activity of communities/regions?
- Will the project lead to the retention of businesses, services and facilities?

Our Council submitted projects to the Department of Industry, Innovation and Science and the following projects were approved.

- Reedy Creek foreshore improvements
- Warialda Airstrip perimeter fencing
- Warialda Airstrip new amenities building
- Gravesend tennis facility upgrade
- CWA commemorative monument celebrating 100 years
- Bingara Streetscaping – installation of flagpoles and decorative lighting in CBD
- Gwydir River foreshore improvements
- North Star Sports Club installation of solar panels and lighting upgrades
- Gravesend Community Hall new roofing installation
- Warialda Rail solar panel and battery installation
- Warialda Rail sportsground, clubhouse and playground upgrades
- Warialda Cemetery new amenities facility
- Upper Horton Sports Club construction of multi-sports courts
- Warialda and Gravesend Streetscaping – installation of flagpoles and installation of park lighting in Warialda and Warialda Rail
- Warialda Hospital Park redevelopment into an All-Abilities park
- Co-Contribution for road re-sealing of Cunningham and Maitland Streets intersection in Bingara

Total allocation of grants for Drought Communities Program is \$1,000,000.



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 are slowly progressing with the proposed Big River Dreaming Bike Trails and Rest Stops. The planned works are to follow trails either through Crown Land, adjacent to the Delungra Road or through Bingara State Forest (depending on the available options and their accessibility), 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 interpretative signage and facilities.

The first rest stop will be situated at the Delungra Road and Allan Cunningham Road intersection, where it is proposed to construct a toilet facility, increased parking space and adequate seating.

The second rest stop is proposed for the Sheep Station Creek Road and Delungra Road intersection where another toilet facility, a camping area, parking area and adequate seating will be constructed.

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. These first three stops will form part of a reflection path for the memorial.

Heading back along Whitlow Road, the fourth and fifth stops will be located at the Upper Whitlow Road and Whitlow Road intersection and the Bobby Whitlow Fossicking Area, respectively. These will both have parking areas and adequate seating constructed, forming part of a renewal path for the memorial, with the fourth stop already being mostly constructed.

Consultation has taken place with Crown Lands and the Local Lands Services (LLS) to get access sooner than the existing grazing leases will be ending (now end of 2019). Further consultation has also taken place with NSW Forestry to allow access to their Bingara State Forest fire trails. Works are scheduled to be completed by February 2020, however, this is dependent on many factors.

Our achievements through our Section 355 Committees

Bingara Historical Society

Council assisted the Society by printing and installing a directional map with corresponding markers at the Bingara Cemetery.

In addition, Council entered into an agreement with the Bingara Salvation Army to lease the back area of their property.

This area has been fenced off and is currently being used by the Society to display large agricultural machinery.



A great number of dangerous trees were identified and either trimmed or removed.

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

Council provides the Club with administrative assistance. This assistance includes minute taking and drafting funding applications.

Council further assists the Club with donations towards Easterfish and waiving water charges.

Warialda Preschool

The Preschool is full most days, with only a few positions available on Mondays and Fridays. The Preschool is open five days a week and has been able to give families a rebate on their fees due to external funding.

Every child is given a hat, shirt and drink bottle when they start, thanks to the Regional Bank Community Partnerships program.

Preschool staff update Council each year at an Ordinary Meeting on their achievements and progress.

During the reporting period, Council installed a storage shed. The materials were provided by the Preschool from its operational budget.

On 6 April 2019, Councillors and staff attended the opening of the Logan Taylor Memorial Tractor (play equipment).

Warialda Historical Society

Society volunteers obtained a grant to run a “Be Connected” program, which ties in with the regular family history sessions of a Wednesday night. This program has been promoted by the Society’s volunteers at community events, such as the Warialda Show.

Volunteers have also reprinted numerous copies of the Passing Glimpses series of publications, and produced a new Cemetery Book, which have been selling steadily and providing a stream of income. A highlight of the Society’s year was a visit to the Myall Creek homestead. There was great roll up of members and locals, and Inverell members also attended the great outing.

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

Warialda Sports Council has been very active in the community over the last 12 months.

The following sporting organisations received donations:

- Warialda Senior League \$500.00
- Warialda Primary School Open Girls Touch \$1,000.00
- Warialda Junior league – Where There’s A Will Fundraiser - \$400.00
- Warialda Primary School Colour Run - \$500.00
- Warialda Jockey Club - \$600.00
- Warialda Swimming Club - \$500.00.

Annual and monthly sporting awards were provided throughout the year for all Warialda Schools to encourage participation and sportsmanship with \$2,715.00 worth of trophies and prizes donated. The Sports Council also participated in the Local Sports Defibrillator Program and donated funding of the purchase of three defibrillators for Nicholson Oval, Warialda Recreation Ground and Warialda Showground totalling \$7,665.00.

The Sports Council’s main role however is raising funds for the development of sporting facilities for the community and the focus this year has been on developing a grant proposal for Nicholson Oval sports field lighting. The Sports Council has carried out extensive community consultation to develop a specification and obtaining two quotes for installation. This work has resulted in Gwydir Shire Council submitting a grant application to fund the installation of sports field lighting through the Stronger Country Communities Grant Round 3 Program. The Sports Council has also committed to donating \$10,000 towards the installation of the lights if the grant is successful.

INTERESTING FUN FACT

Council received 835 requests over the counter or phone during the reporting period.

Croppa Creek Hall

During the reporting period, the Croppa Creek Hall Committee was formed and volunteers inducted. The Hall Committee coordinates the use and maintenance of the Hall.

Gravesend Hall and Club

The Gravesend community were particularly active during the reporting period with the formation of the Gravesend Community Group. This group's objective is to renovate the Hall and optimise the use of the Club. The Group has been successful in obtaining funds and renovations are progressing well and include restumping, flooring, re-roofing (including guttering), wall relining and roof cavity electrical cabling.

Crooble Hall

The Crooble Hall Committee hosts movie-screening nights, Christmas Carols, liaises with Council with regard to maintenance requests and continues as a valuable community volunteer group.

Warialda Rail Community Group

During the reporting period, the Warialda Rail Community Group was formed and volunteers inducted. The Group has held a number of community events including a Christmas Carnival.

Coolatai Sportsground Committee

Due to the prolonged drought conditions, all community events were cancelled at the sportsground over the last twelve months, this included the Campdraft and Tractor Pull. The Committee is still active and looking forward to coordinating future community events.



Our achievements in Planning and Development

Our achievements in Planning and Development

During the 2018-19 financial year, Council received 41 Development Applications, 15 s4.55 Modifications and 7 Complying Development Certificate Applications with a total value of \$3,475,731.00. The types of development applied for were 8 new dwellings, 21 applications for residential ancillary developments (such as dwelling additions and alterations, garages, carports verandahs, pergolas, patios and swimming pools), 6 commercial applications, 1 rural and 2 urban subdivisions, 3 quarries, 1 agricultural building and 6 miscellaneous applications (including public amenities and RFS Sheds).

Development Locations:

Locality	No	Locality	No	Locality	No	Locality	No
Bingara	15	Gineroi	2	Myall Creek	1	Warialda Rail	2
Bundarra	1	Gravesend	3	North Star	2		
Delungra	1	Gulf Creek	1	Warialda	19	Upper Horton	1

The total number of development applications and complying development certificates approved for the year was 52 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	S96 Modification Applications	Subdivision Certificates
Applications Received	41	7	15	2
Applications Refused	0	0	0	0
Applications Withdrawn	0	0	0	0
Total Applications Approved	45	7	14	2
Applications Approved by Delegation	43	7	14	2
Applications Approved by Council	1	0	0	0
Application Approved by Regional Planning Panel (RPP)	1	0	0	0
Applications Approved by Private Certifier	-	0	-	0

Throughout the 2018-2019 year Council also issued one hundred and forty nine 10.7(2) Certificates (formerly known as 149(2) Certificates), twenty 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 seventeen s121 Certificates (Outstanding Notice under the Local Government Act 1993). In addition Council replied to fifty seven requests for Drainage Diagrams.

Our Achievements in Technical Services

Gravel Re-sheeting

Challenging drought conditions affected Council's gravel re-sheeting works through the 2018-2019 financial year. Because of poor rain, waterholes that have traditionally been drawn from were not considered viable sources for re-sheeting works. While some works could be undertaken by drawing from spring-fed sources, in many instances water had to be carted from secured, Council owned sources in Warialda, North Star and Bingara. In spite of these challenges, Council successfully delivered an extensive shire wide re-sheeting program.

The following table gives the details of gravel re-sheeting that was completed throughout the Gwydir Shire during the 2018-2019 Financial Year. Council re-sheeting works were funded through a combination of 'Roads to Recovery' funding and internal funds. In total, Council re-sheeted 64.8km of unsealed road.

Road Name	Road Class	Length (km)	Location
Adams Scrub Road	Collector	5.8	13.0km - 18.8km from Fossickers Way
Pallal Road	Local	5.2	1.5km to 5.7km and 6.7km to 7.7km from Killarney Gap Road
Horton Road	Arterial	4.2	1.3km to 3.5km and 6.2km to 8.2km from Killarney Gap Road
Woodburn Emello Road	Local	6.7	0.0km to 6.7km from Gulf Creek Road
Gil Gil Creek Road	Collector	2.2	8.7km - 10.9km from County Boundary Road
Tucka Tucka Road	Collector	8.0	0.0km to 8.0km from Peates Road
Goat Road	Local	7.5	0.0km to 7.5km from Bruxner Way
Crooble Road	Local	2.0	0.0km to 2.0km from Gil Gil Creek Road
Towarra Road	Local	6.7	0.3km to 7.0km from Gulf Creek Road
Thornleigh Road	Local	3.5	8.5km to 12.0km from Copeton Dam Road
Peates Road	Minor	7.6	0.0km to 7.6km from Moree Plains Shire Boundary
Gournama Road	Local	5.1	10.3km to 14.3km and 16.3km to 17.4km from Warialda Road
Upper Bingara Road	Local	0.3	11.5km to 11.8km from Fossickers Way
TOTAL		64.8	

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, some roads can be left with a quantity of loose rock on the wearing surface. To address this, Council introduced the practice of intensive maintenance.

This process involves windrowing existing pavement that is deficient in clay binding fines, and crushing it in-situ using a tractor mounted crusher. 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. The result is a renewed road pavement comparable to a newly re-sheeted road, without the costs associated with carting new material to site. This approach represents significant value for money in gravel road rehabilitation although it is still dependant on water for compaction and thus faces the same water haulage issues as Council's re-sheeting program.

Above: Horton Road re-sheeted under the Federal Government funded Roads to Recovery Program

Right: Ashton Road Following Intensive Maintenance



Road Name	Road Class	Length (km)	Full Length or Partial
Baroma Road	Arterial	15.1	Full Length
Yallaroi Road	Collector	22	Full Length
Oregon Road	Collector	37.5	Full Length
County Boundary Road	Arterial	25.1	Partial
Munsies Road	Local	12.5	Partial
Allandale Road	Local	7.9	Partial

Bitumen Resurfacing (Reseals)

The following table shows the regional roads that received segmented/full resurfacing works during the 2018-2019 financial year. These works were all completed using a pre-coated aggregate of various sizes and a Polymer Modified Bitumen (PMB). All resurfacing works were completed externally by Fulton Hogan as part of a full service bitumen spray-sealing contract. These were the only reseals, except for our state roads program, that were undertaken this financial year.

REGIONAL ROADS RESURFACING	
STREET NAME	LOCATION / AREA
MR462 Bruxner Highway	Chainage 0.000km – 0.200km from Ottley Creek – 1,600 m ²
MR462 Bruxner Highway	Chainage 11.345km – 11.490km from Ottley Creek – 1,160 m ²
MR462 Bruxner Highway	Chainage 18.722km – 19.105km from Ottley Creek – 3,064 m ²
RR063 Warialda Road	Segment 390 – 14,912 m ²
MR134 Delungra Road	Segment 020 – 15,440 m ²

Significant heavy patching was undertaken on the Bruxner Way and Warialda Road in preparation for resealing.

Rehabilitation

North Star Road received 2.38km of full rehabilitation, 41.82km to 44.20km 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 PMB bitumen seal.

Right: *Fully rehabilitated and freshly sealed section of RR7705 North Star Road*



1.7km of MR 134 Delungra Road, 16.0km to 17.7km from Allan Cunningham Road was rehabilitated in the 2018-2019 financial year. The existing base course was recycled as sub base and a new base course carted from a local gravel source. The new base course was stabilised using Council's road reclaimer with a fly ash and lime additive.

Right: *Rehabilitation in progress on section of MR 134 Delungra Road.*



The expected useful life of the new Regional Road pavements is in excess of 60 years.

Survey and Design

The survey and design team have completed many different jobs throughout the 2018-2019 financial year. The two largest jobs completed were Hospital Park design and the Warialda HPV Route design and set out. Other works included the survey and design of all rehabilitation jobs for the 2018-2019 and 2019-2020 financial years. As well as completing any other design and survey work as required by other departments within the organisation. All together, the survey and design team have completed 23 designs.

Stormwater

In 2018-2019, Council completed the first stage of a multi-staged stormwater upgrade focused around Brainard and Spring Sts Bingara. The works replaced an open drainage channel with a 900mm concrete pipe culvert and diverted stormwater discharge east of Spring St. Future stages will see diversion of stormwater from Spring Street to the new infrastructure established in 2018-2019. *Right: Spring Street Culverts*



Council carried out additional minor stormwater works throughout the year including routine maintenance.

Warialda High Productivity Vehicle Route

Construction of the Warialda High Productivity Vehicle Route continued through 2018-2019 Gwydir Highway to Gragin Road.

Full road construction, including final seal was completed between the Gwydir Highway and Gragin Road. This involved significant earthworks around the southern approach of the new bridge over Warialda Creek. Over 10,000m³ of material was removed from the road corridor in order to bring the finished road level to that of the bridge. Subgrade was then lime stabilised and then three cement stabilised sandstone pavement courses were carted. To finalise construction of this section, a 20/10 double/double PMB seal was laid. *Right: Sealed Section of HPV Route*



HPV Route Bridge

A major part of the Warialda High Productivity Vehicle (HPV) Route was the design and construction of a 48-metre concrete bridge across Warialda Creek. The entire process was extensive, starting with the tendering processes, site establishment, routine site inspections and regular steel and concrete inspections as required, seeing a completion date for the bridge in November. There were several stages throughout the project including the drilling of the pile holes, the pouring of the columns, the installation of the pre-cast deck beams, abutments and wingwalls, the pouring of the deck slab and finally the installation of the pre-cast barriers. These works were contracted out to Waeger

Constructions as a full design and construct contract, with a total contract duration of 10 months. Approaches to the bridge have now been fully constructed and sealed, and is now fully operational for construction staff accessing the site only.

Right: The 48 m concrete bridge complete for the Warialda HPV Route.



Works on the Warialda HPV Route will continue throughout the 2019-2020 year and into the 2020-2021 year when land acquisition and native title issues are finalised.

Warialda Truck Wash Facility

Council secured \$365k of grant funding for the construction of a new truck wash facility in Warialda. The new facility will be located adjacent the Warialda HPV Route and is intended to reduce the spill of stock effluent from livestock cartes. The new facility will feature two wash down bays on an elevated ramp to allow for the wash out of trailers from trucks up to the size of 36.5m road trains. Additionally, two dump points will be available to drain on board effluent tanks from livestock trucks. The project features an onsite amenities building and will be available to the trucking industry on a user pays basis through the use of the AvData system.

The site features dedicated settling ponds for waste washed from trucks allowing dry waste to be removed from site and liquid waste to be treated in Council's sewer treatment plant. The total project footprint has approximately 2 hectares of road and asphalt, significant water and sewer infrastructure and extensive stormwater management including an integrated bio-retention basin.

In 2018-2019, Michele Contracting completed bulk earthworks for the truck-wash project. Council completed sub-base level road works, stormwater, and sewer and water networks. The project involve complicated concreting works, which were contracted to Lachlan Hall Constructions. The target completion date for the project is 30th November 2019.

Right: The Truckwash Under Construction



State Roads (RMS)

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, the Roads Maintenance Council Contract (RMCC) with the Roads and Maritime Services (RMS) binds Council. All Work Orders issued by the RMS are quality assurance schedule of rates projects carried out by Council staff under the RMCC.

During the 2018-2019 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 and a resurfacing program throughout various segments on both State roads, a culvert replacement on MR063 Fossickers Way, survey and design for a rehabilitation project next financial year and the construction of concrete footpaths onto Campbell Bridge in Bingara.

Reseal preparation and resurfacing took place throughout segments shown in the table below:

ROAD NAME	SEGMENT NUMBER	AREA RESURFACED (m ²)
SH012 Gwydir Highway	8030	12,768
SH012 Gwydir Highway	8065	3,572
SH012 Gwydir Highway	8070	9,320
SH012 Gwydir Highway	8103	5,106
SH012 Gwydir Highway	8265	4,613
SH012 Gwydir Highway	8267	6,713
MR063 Fossickers Way	6145	14,576
MR063 Fossickers Way	6170	15,752

Resealing works throughout our Shire are generally done using a cutback or polymer modified bitumen, depending on the condition of the existing wearing surface. This year saw a new and exciting seal completed in segment 8265 on SH012 Gwydir Highway, where an emulsion bitumen without stone was used to rejuvenate the existing seal. Although the seal was unsuccessful due to the significant stripping of stone in the existing seal, the process was a great learning experience for both Council staff and the resurfacing contractor, Fulton Hogan.

Right: *The emulsion rejuvenation seal undertaken in segment 8265 on SH012 Gwydir Highway.*



Heavy patching works undertaken on our State roads involves a stringent process that is pre-approved by the RMS 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 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 7 mm emulsion seal using Council's Jetpatcher and the line marking is reinstated where required. This year only saw 2,120 m² of heavy patching completed on MR063 Fossickers Way.

During the final quarter of this financial year, the RMS provided funding for the renewal of a pipe culvert MR063 Fossickers Way, just north of Bingara. The culvert renewal involved removing the existing pipes and headwalls with overlying material. New reinforced concrete pipe culverts manufactured by Humes, were then bedded into a soft sand and covered with a stabilised sand material. New headwalls were installed and the new pavement over the culvert was final trimmed and sealed with a double coat 7 mm emulsion seal.

Right: The pipe culvert during construction on MR063 Fossickers Way this year.



Further to this, the RMS also provided funding for the construction of concrete footpaths onto the pedestrian path across Campbell Bridge in Bingara. This included footpaths for the northern approach, as well as both approaches from Copeton Dam Road and a retaining wall and pedestrian railing for the northern access. This financial year only saw the completion of the northern footpath and retaining wall, with the remaining footpath and pedestrian railing works to be completed early in the next financial year.

Right: The constructed footpath and retaining wall (covered) for the northern access of Campbell Bridge



Our Achievements in Social Services

Gwydir Toy Libraries



Play sessions continue to be held each working day throughout the week at both Toy Libraries in Bingara and Warialda. Play sessions facilitate the enhancement of emerging skills for children across all facets of the early

childhood learning domain. Activities implemented during play sessions at the Toy Libraries, support the Early Years Learning Framework principles and outcomes flagged for young children, whilst also supporting, and offering assistance to families in their role as parents and or care providers. There were 2486 points of contact at the Gwydir Toy Libraries this year.

Health Maintenance, Information and Education Sessions

The Toy Libraries are always looking for presentations or resources promoting the health, education and wellbeing of all young children and their families. Often, the remote location in which we live can limit hands on, in service access to professional presentations, however, literature and handout resources for families is often sought and made accessible for all families attending the sessions.

This year, information, presentations and handouts provided during play sessions included but were not limited to; feeding, brain development/stimulation, sleep, toilet training, biting, screen addiction and child's mental health, speech pathology, central auditory processing disorder, children and anxiety, executive functioning, tummy time and sensory integration.

Some of the significant positive sessions noted, were as follows;

Ear Health: Beverly Walls from the Department of Education and Training attended the service and did a presentation on Otitis Media and ear health for children. This presentation was very informative and well-presented with families being provided with specific activities promoting ear health for their children and pamphlets, reinforcing details presented, signs and symptoms of poor ear health and when to seek professional advice for their children.





RTA Child Restraint Legislation: Each year, child restraint information remains a consistent target, with the information being provided aimed at educating parents and carers of the most current laws relating to car restraints, installation and recommended ages for transition from rear facing/ forward facing and normal lap sash car seating of children.

Dental Health & Hygiene: A DVD presentation obtained from, Hunter New England Area Health Service was provided during various play sessions throughout the year. Parents and carers were encouraged to take the knowledge gained from this presentation, along with brochures, a complimentary toothbrush and toothpaste and implement dental health care practises at home. Families were provided with contact details for free child dental care within our region.

Child and Family Health Nurse: Debbie Armstrong, HNEAH Child & Family Health Nurse visits both services on a regular monthly basis, offering baby weigh and measuring as per the blue book schedule. These visits also cater for child and baby immunisations if requested and are carried out within the services. This year the Child & Family Health Nurse administered a total of 32 child flu vaccines and 10 parent flu vaccines.

The HNEAH Child & Family Health Nurse is available during in service visits for discussions regarding, children's general health and wellbeing, breastfeeding, baby lead weaning, starting solids, developmental milestones, post-partum care for mothers, anxiety management for children, hearing and information regarding audiometry testing for children and information for referral services as requested or required i.e.; Tresillian, PANDA, and various parenting helplines.

Dietitian: Representatives from HelathWise provided families with information regarding common dietary concerns and the current dietary recommendations and or guidelines for infants and young children.

Cooking: Cooking facilitates many skills, such as fine motor and following of instructions, learning about preparation, safety and healthy eating, while encouraging exploration of different food flavours and textures. During 2018-2019, cooking sessions were catered for and encouraged at both Toy Libraries.

Music and Movement, Literacy/ Story time and Language Development: The importance of literacy, language/communication skills, spatial awareness and expression through play, remains an integral component of session times held at the Warialda Toy Library. Children are consistently engaged in music and movement sessions, along with literacy play based experiences and often town library reading sessions available while visiting the Toy Libraries.

Speech pathology recommended book lists are regularly distributed to families, along with local contact details for those needing speech pathology assessments and sessions. A 'book box' is located within the service for children to access at their leisure while visiting the toy libraries.

Rural Outreach Service: This Service visits Bingara Toy Library each month to provide support to families via interactive, chat and information sessions. They also provided two healthy cooking class sessions for the children and for families.

Support for local home based business mothers: The Gwydir Toy Libraries continue to value the contributions being made to servicing the local community, by local home based business mothers. This year opportunities to join play sessions throughout the year to promote their hard work were again made available and the Toy Libraries welcomed, Hannah Landrigan from Country Rose Accessories, Georgina Butler - Lorraine Linen consultant, Hannah Coote – Tupperware consultant, Emma Wilkins- Not Just Jam and Sara Turner from Cheeky Little Tots.

Birth Certificate Applications/ Ceremonies

19 Warialda applicants and **15 Bingara** applicants were recorded during the 2018-2019 financial year.

Expecting parents or parents/carers, residing in the Gwydir Shire that have a child born on or after 17 March 2004, (The date in which the Gwydir Shire was formed), are eligible to receive a birth certificate. Applications are issued upon request at the Toy Library, or are handed out by the HNEH Child & Family Health Nurse once families are back home and settled, shortly after the delivery of a child.

Presentations 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, a parent pack, including a 6-month Toy Library membership voucher and a light morning tea and play session to follow the presentation.

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

Each year the Toy Libraries celebrate both children's and familie's week as significant events.

Children's Week: Families were invited to join this celebration held at the Warialda Preschool. Gravesend Playgroup families, joined with many Toy Library families for a picnic style morning tea, play and story time. 54 children attended this event. Families attending this celebration, were provided with information surrounding the rights of the child, had the opportunity to network, while also engaging in play experiences with their children. Bingara Toy Library combined with other childrens services also to provide a fun filled morning at the Bingara Preschool to celebrate this special day.

National Families Week: Bingara Toy Library joined the Bingara Preschool for a teddy bears picnic Celebrating 'Stronger Families, Stronger Communities', this celebration is about celebrting the vital role families play in Australian society. Families were able to come along with their children for a picnic lunch. The Warialda Toy Library catered for 21 children and 16 families, with a sausage sizzle lunch and play morning being provided for attendees. Families received resources such as balloons, colour sheets, top 10 tip list for families, note pads and stickers to promote this celebration.

Other special events/celebrations-The Toy Libraries also celebrate festive occasions each year. This year was of no exception with Santa visiting at Christmas time, a Christmas party, Reindeer food making morning and at Easter time, children engaged in egg hunts, craft and cooking.

Special celebrations also took place for Grandparents day, Mothers and Fathers Day, with a play session morning and morning tea taking place for these special occasions.

Playgroups

There were 832 points of contact for Playgroup this financial year. Playgroup children continue to be stimulated through the implementation of various play based learning experiences. Families are commonly provided with information surrounding physical and brain development, social and emotional development, cognitive development, age appropriate milestones and communication and language development.

Playgroups sessions always aim to promote positive parenting and praise, whilst supporting all members in their roles as parents or care providers to young children, offering family or child referral to supportive family organisations, health or community groups as required.

This year, significant positive outcomes achieved, was the implementation of a classroom environment being made available to Gravesend Playgroup. This area facilitates a positive area for learning, with both heating and cooling facilities now available to playgroup families, a carpeted room for floor play, desks for structured learning play experiences, craft and cooking and a fridge for lunchboxes or formula. The ability to venture outdoors is still current, whereby gross motor and sensory exploration experiences are provided for during playgroup sessions.

All playgroup members and general Toy Library members were also provided with the opportunity to engage in free, water familiarisation sessions through the implementation of 'Splash & Play'.

Kool Skool Kids Program

The Kool Skool Kids Program has proved to be an invaluable service to working parents. This service is open to Toy Library members only and accommodates up to 15 children each Tuesday and Thursday afternoon. The children participate in craft, games, cooking, homework help and sporting activities.

The children are able to catch the "walking bus" from the school to the Toy Library where they are accompanied by a staff member. Often the public library and toy library after school program participants get together for fun packed special



events at both services. There were 872 points of contact for this service throughout the year, which provides after school care for our working families.

Be Connected

Be Connected (Broadband for Seniors) was able to provide a total of 96 lessons in the last 12 month period. 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.

Bingara Preschool



During the last year, Bingara Preschool has gone through significant changes. It has employed a new full time Director (since January 2019) and has employed new staff members, on both a permanent part-time and casual basis. In November last year, Bingara Preschool underwent

the 'Assessment and Rating' process where all areas of the 'National Quality Framework' and 'Education and Care Regulations' were successfully achieved.

Educational Program: Bingara Preschool has implemented a new teaching focus from the beginning of 2019. Each of the Educators are assigned their own teaching day each week, where they plan and facilitate the children's education, play and learning. This is based on the children's interests, needs and development. The Bingara Preschool team work together to promote, advocate and implement learning through play. All the activities are documented onto a weekly program which displays and fosters the strong educational and learning opportunities available to the children whilst attending Bingara Preschool. This also empowers and builds staff capacity, whilst facilitating opportunities for growth and development.

New Transition to Formal Schooling Plan: Bingara Preschool in consultation with Bingara Central School have implemented a new transition program for the children who will attend formal schooling in 2020. Each Friday, the transition children attend an excursion to Bingara Central School where they integrate into the current Kindergarten classroom. The new transitional program increases the children's social and emotional wellbeing and extends their current knowledge and perspectives of 'Big School'. This also provides more opportunities for the staff at Bingara Central to build positive relationships with the current Bingara Preschool children.



Excursions and Events: Bingara Preschool has strong relationships and links within our community. As part of Bingara Preschool's educational program, the children attend a variety of community based excursions and events. These include: 'The Big Bad Wolf' (captivating children's show at the Roxy), The Bingara MPS (the children dance and sing for the residents), 'The Easter Hat Parade' and 'National Simultaneous Story Time' (at Bingara Central School with the current children in infants). Bingara Preschool entered a variety of entries into the annual Bingara Show, with many prizes and highly commended certificates being awarded to the children. Bingara Preschool also performed two dances at the Bingara Community Christmas Concert in December 2018.

Visitors: Bingara Preschool has welcomed many visitors to the service during the last year. These include: The Fire Brigade, Gail from the Bingara Library, The Local Policeman, Maria (Registered Nurse from Bingara Medical Centre), Sandy Scotton (Speech Pathologist) and Kerriane (local community story teller).



Tharawonga Mobile Resource Unit

From 2 July 2018, Tharawonga Mobile Resource Unit became a Long Day Care Service, catering for children from two to six years of age. Currently, Tharawonga visits the towns of Yetman, North Star, Yallaroi, Tullooona, Crooble and Gravesend.

Since May 2019, in the second week of every month, playgroups have now returned to Tharawonga venues. Playgroup attendees join in with the Tharawonga program for a two hour play session. Younger children who attend playgroup have the opportunity to play with their older peers and join in with group time. These play based opportunities improve social skills and familiarise younger children with the routine of the particular venue.

Each of the Tharawonga venues has opening hours specific to the needs of their community, corresponding with bus and school times to suit families with children of varied ages. 58 children are currently enrolled at the service. Several families are now visiting up to four different venues throughout the week.

During the year, Tharawonga children have celebrated Easter and Mother's Day with craft activities and a Mother's Day morning tea. The Mother's Day morning tea was also the first playgroup opportunity offered for parents with children under two years of age. Gravesend children attended an Easter egg hunt in the park as a fundraiser for the Gravesend Community Group on Easter Sunday. Families Week was celebrated by each family bringing a photo to pin onto our Family Tree at their venue. Chinese New Year craft produced a dragon with arm print, painted legs.

Excursions have been undertaken throughout the 2018-2019 financial year to the following places of interest within our communities:

- Gravesend Public School Assembly
- Transition days to Gravesend, Yetman, Tullooona and North Star Public Schools
- Roxy Theatre Bingara for the Big Bad Wolf play
- Yetman Post Office
- Yetman School –Cupcake decorating
- Gravesend Post Office

HNEH Child & Family Health Nurse visited every venue to keep our communities healthy and update immunisations. All ages were invited for Flu vaccinations.

The Tharawonga director attended North Star Public School Presentation Day and Christmas concert, Gravesend Christmas concert and Gravesend Christmas in the park party. Where possible, children and families attending Tharawonga will participate in offered activities with the local schools. North Star school have sent Year 6 students to read to preschoolers between the hours of 12.30pm and 12.45pm each week. National Simultaneous Storytime saw eleven Yallaroi children watching “Alpacas with Maraccas” on the big screen, making use of sleep mattresses as gym mats to roll around in response to the story.

Special visitors to Tharawonga included Paul Skulthorpe Spearim for Reconciliation Week. Paul taught the children Aboriginal emu and kangaroo dances and games. He also taught the children how to call like a kookaburra. Bingara Toy Library visited Yallaroi and Gravesend venues.

XPLOR children’s services software has been utilised to reduce the administrative burden of attendances and Childcare Subsidy submissions. Although this was a troublesome transition, it has proven beneficial and will continue to improve our service as staff become more familiar with the capabilities of the software.

18 children transitioned to school at the end of 2018.

Mums and Bubs Splash and Play

Splash and Play commenced on the 5th of November. These sessions ran for approximately one hour and covered a range of important skills and activities for the families to participate in with their child, during not only the session but also whenever they are swimming. The activities are adapted to suit each child in the session. They aim to cover the early stages of swimming lessons that include water safety and familiarisation, buoyancy and floatation, body position and rotation and underwater skills. Overall the sessions are informative for the families and fun for the children.

There were 13 sessions held during the 2018-2019 summer season.

19 Families	22 Children
7 Girls	15 Boys



Vacation Care

Vacation Care was held during July, October and December/January school holiday periods. The program covered several key developmental areas for children, including gross motor development, creative skills, social development and fine motor skills.

Some of the days' activities included sand craft, beading, team quiz challenges, charades, blindfold activity, key hunt, apple bobbing, dancing competitions, and lineman, stuck in the mud, wink murder and ship wrecked.

During October, workshops were held over four days, with REACT Circus. These were held in Warialda with a bus from Bingara travelling up each day. Children gained circus skills including juggling, stilt walking, and trampoline tricks, stories through dance, hula hooping, balloon fun and trapeze.

The workshops were a great way for all children to achieve satisfaction and the feeling of accomplishment. It was also a great way to get the children active.

During the December/January School Holidays, Vacation care was held at both Bingara and Warialda. Children participated in a range of different science experiments, cooking, excursions to the town Libraries and town swimming pools and to Inverell to visit Shake Rattle and Bowl.

2019 National Youth Week/Youth Council

Young people from Bingara Central School and Warialda High school have combined to form the 2019 Gwydir Shire Youth Council. Erica Dixon, Jacqueline Coombes, Katie Dennis, Brooke McKinnon, Isabell Butler, Petah Butler, Savannah Hughes, Louisa Gilmour, Christopher Keeley, Emma Weatherall, Paige Delanty, Will O'Sullivan, Hunter Brown and Hannah Tooley are the 2019 Gwydir Shire Youth Council.

The first event, which the Youth Council were in charge of planning and running, was the 2019 National Youth Week Event – “Neon Social” held at the Roxy Theatre in Bingara on the 11th of April. There 120 young people who attended the event, 76 travelled on the buses from Warialda. The event started with some icebreaker games, a skipping contest, a worm contest and a floss challenge.

Certificates and prizes were given throughout the night for best glow costume, best glow group, best glow couple. Our local police stopped by and joined the young people for a floss dance off. It was a gold coin donation for the BBQ, which is going to go into the Youth Council fund to help fund upcoming events.

The event was a huge success and young people are already talking about making it a termly event rotating between towns.

The Youth Council are also busily planning other events for the Youth of Gwydir Shire to enjoy.

NAIDOC Day 'Voice, Treaty, Truth'

This event was held in partnership with Bingara Central School to provide young people in our community with cultural knowledge specifically related to our area. The children and young people who attended "The Living Classroom" were informed and educated about the amazing contribution the first people of this nation have made to our sense of place in the world. This event followed the Myall Creek Memorial Weekend of events in Bingara.

The day included dancers and bush tucker; combining history, culture, the arts and education outdoors. Toowoomba dancer and cultural educator Buddy Hopi, with his helpers, provided a great spectacle along with Inverell artist Eleanor Binge who helped the participants produce an artwork on canvas. The students also cooked Johnny Cakes and took part in some traditional fishing at the lake. This was done on a rotational basis with four different groups and they all had the opportunity to participate in everything on offer.

School Involvement

Gwydir Youth Service continues to support young people across the Shire, offering intake and assessment services. The youth service works closely with Bingara Central School to provide first point of contact for counselling services as well as referral to specialists for young people who are struggling to cope with the pressures of life. Services accessed included Pathfinders in Inverell, assistance 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.

The Salvation Army caseworker offers the "Positive Life Style Program" which will be assisting young people to deal with previous life experiences both negative and positive, assessing where they are now and finally set some goals for their future with some financial counselling.

On Thursday the 25th of October Bingara Central School hosted a community connect day. Services from around the region attended with information for families on services that they offer in our community. There was a BBQ lunch offered for both families and students at Bingara Central School. Services included Link2home, Family Referral Service, Pathfinders Inverell, Moree Women's Outreach, Byamee and EACH.



Gwydir/Willoughby Youth Exchange Program

The Gwydir end of the Willoughby/Gwydir Youth Exchange program commenced on Thursday 4th July 2019. There were 12 participants from Gwydir and 8 from Willoughby.

The students met on Thursday evening at the Roxy café for the welcome dinner with our Mayor, Councillors and senior staff.

Students had a fantastic time over the weekend attending events which included the annual Orange picking ceremony, a trail ride along the Gwydir River, movie night at the Roxy, the Bingara Orange Festival, barefoot bowls and a farewell bonfire at The Living Classroom.

The Gwydir students were great hosts showing the Willoughby participants what country life is really like.

The 12 young people from Gwydir were Mihail Stamenkovic, Chelsea Stevenson, Erica Dixon, Madison Williams, Savannah Hughes, Campbell Bond, Cody McGarrity, Jack Small, Lily Hamilton, Skye Parker-Rose, Hailee Hartwig & Louisa Gilmour.

On Friday the 31st of August 11 young people from the Gwydir Shire travelled to Sydney for the second part of the Gwydir/Willoughby Exchange Program.

The young people met up with the Willoughby participants on arrival at Chatswood before heading to their welcome dinner at the Dougherty Centre. After dinner, young people spent some time at the Chatswood youth centre reconnecting over table tennis and pool. Later, they headed to their accommodation at Lane Cove National Park.

Saturday was the annual Spring Fair; the young people walked in the parade and then had free time to explore the festival and Chatswood. In the afternoon, the group split up into teams for a laser tag challenge, sung some karaoke and had a game of tenpin bowling before heading into Homebush for an NRL game between the Sydney Roosters and the Parramatta Eels.

On Sunday, they travelled back into the city to experience Paddy's Markets before embarking on a 3 hour Sydney Harbour Bridge Climb. To finish off the weekend participants went to the movies at Chatswood.

Bingara Neighbourhood Centre

Throughout 2018-2019, the Bingara Neighbourhood Centre continued to focus on drought relief applications. A significant number of farming families registered for the Rural Aid assistance as well as registering with several other organisations dedicated to drought relief assistance. Several police matters and court support were also carried out throughout the financial year.

The Bingara Neighbourhood Centre was successful in securing a grant to support the Gwydir Shire's farming community through the devastating financial, social and emotional effects of the current drought.



The funds, which were provided by the Hunter New England and Central Coast Primary Health Network, aim to deliver events and services to communities experiencing tough times due to extreme drought conditions.

These funds were sourced following concerns raised by Council's elected representatives, as well an increase in calls to the Council's Social Services Department from residents seeking help and advice. Over two months a two-part initiative to assist the farming community was rolled out. The first phase provided local residents with the opportunity to take part in Mental Health Support Skills training. The free 3.5 hour workshop aimed to equip participants with the skills to identify the signs and symptoms of common and disabling mental health problems, how to provide initial help, where and how to get professional help, what help has been shown by research to be effective, and how to provide help in crisis situations.

The second phase saw a series of events to show support for our farming communities. The Farming Families Gatherings took place in each of the 7 towns and villages within the Shire and took the form of social evenings complete with a hearty meal and cold drinks.

Our Achievements in Aged Care



Naroo

The most exciting development to report on in the Aged Care area is the successful application of a grant for the refurbishment of the Naroo Kitchen under the Commonwealth Government's Aged Care Regional Rural & Remote Infrastructure Program. Work has commenced on this project with the final design now complete. This development will also see the relocation of the Aged Care Manager's Office. A move necessary because of the need to extend the kitchen into the existing space. This extension will ensure that the facility can best service the growth of Naroo Hostel.

Accreditation

Naroo Aged Care went through the accreditation process in September 2018 passing all 44 standards.

New Aged Care Standards are being introduced from 1st July 2019. Compliance with these standards is mandatory, and organisations are required to demonstrate performance on an ongoing basis. Staff have been working towards achieving the level of performance required to meet these standards over this reporting period. The standards provide a framework of core requirements for quality and safety. The new standards is made up of eight individual standards:

- Consumer Dignity and Choice
- Ongoing assessment and planning with consumers
- Personal care and clinical care
- Services and supports for daily living
- Organisations service environment
- Feedback and complaints
- Human resources
- Organisational Governance

National Aged Care Quality Indicator Program

From 1 July 2019, the National Aged Care Quality Indicator Program is mandatory for all Commonwealth subsidised residential aged care services. Quality indicators measure aspects of service provision, which contribute to the quality of care and services given by the provider, and to care recipients' quality of life and experiences.

During this reporting period planning commenced on what was required to meet the objectives of the National Aged Care Mandatory Quality Indicator Program. These objectives are to provide transparent, comparable information about quality in Aged Care. Naroo Aged Care facility must collect and provide quality indicator data to the Department of Health against:

- Pressure Injuries
- Use of Physical restraint
- Unplanned weight loss

Naroo Advisory Committee

The Naroo advisory committee have formed a sub-committee named, Warialda Community Support Naroo Catering Group. This group provides catering for, but is not limited to, private functions and community events such as wakes, award evenings, meetings and corporate workshops. Locals within the Warialda community, who are passionate about improving the life of the Naroo residents, run this group and the funds raised, go directly to this cause.

Fundraising continues for the “Cycling without Age” bike. Letters have been sent to various organisations within the Warialda community for support. The bike will be enhanced by the development of the “All Abilities” park, which has been implemented across the road from the facility providing cement pathways for wheelchairs and a Cycling Without Age bike for the residents at Naroo. Fundraising has not been as successful as hoped. This is due to the ongoing drought conditions.

The community and organisations are prioritising help for the community at this stage.

Building Improvements

Three residential rooms have had new flooring replaced from carpet to vinyl for infection control management in 2018-2019.

The lack of a backup Generator for Naroo when electricity supply is interrupted has been discussed at committee meetings and documented on minutes. This issue has been raised with Council. Costings and quotes will be obtained and are to be placed on next financial year’s capital wish list.

Montessori Program

Activities staff are implementing the Montessori Program within the Naroo facility. Montessori for Dementia is a model of care. It is a new way to deliver care, which requires us to change all we thought we knew about dementia and providing care for people living with dementia. Montessori for dementia focuses on supporting both the person and the environment that is adapted to support memory loss and independence.

We are unable to change the terrible effects of dementia however, by embracing Montessori principles and implementing environmental adaptations (including meaningful activities, roles and environmental cueing), we can circumvent the dementia. The result is that people living with dementia are able to make meaningful contributions to their community and engage in meaningful activities in addition to having the opportunity to maintain, and even restore function. The approach is described as flexible, innovative and grounded in research and we are excited to be implementing it in our facility.

Dementia Friend Community Committee

Expressions of Interest have been sought by community members to organise a committee for Dementia Friendly communities. Council received a number of applicants and the first meeting is being planned for November 2019.

Staffing

Staff turnover has decreased in recent years. We continue to upskill our staff with the constant availability of industry specific training.

Above and below the line behaviours have been embedded in the Naroo workforce and all staff are asked to sign in agreeance to the behaviours in the workplace.

Recruitment – casual care staff and kitchen staff recruited.

Maintenance Officer solely for Naroo - Position description developed by Aged Care Manager. Budget continues to be an issue with implementation of this action. Deferred until budget can support this role. Council continue to support Naroo and CHSP offices as required.

General

We have introduced buffet style breakfasts which have enhanced Residents independence and we provided regular cooked breakfasts if desired.

We have introduced monthly Birthday BBQ's where residents celebrating their birthdays that month invite family and friends and we all celebrate together.

Residents within the facility are provided with an activities calendar that is based on the Golden Oldies website. The calendar revolves around important events and dates such as the celebration of ANZAC day. The development of the "All Abilities Park" will enable increased activities and participation for Aged community.

Commonwealth Home Support Program (CHSP)

Bingara

CHSP provides a variety of services, which we hope, will improve and enhance our clients' quality of life. We aim to provide services that support good health and wellbeing, through increasing independence and community involvement. Residents registered with Gwydir Commonwealth Home Support Services can access Meals, Transport and Social support (Individual and Group).

Bingara has had a huge year with out of town transport and the introduction of the new computer system to accommodate our reporting requirement to Transport for NSW. We have become increasingly busy with transport and rely heavily on volunteers to ferry clients to their destination.



Staff also identified a need to increase our monthly Access Bus to Inverell to fortnightly from once a month, this has proven to be very successful and there is rarely a fortnight that the bus is not filled to capacity.

Bingara CHSP have held a number of events throughout the year, including:

- Christmas in July at the Roxy
- 2 x trips to Copeton Dam
- Lunches at the Chinese restaurant
- Regular lunches held in the Lingalonga Room
- A visit to Molly May's at Manilla
- Christmas lunch held at the Living Classroom

We hold morning tea regularly on a Tuesday morning, that is always very well attended and a wonderful opportunity for clients to socialise and interact with others. Something a lot of them do not get to do in their daily lives.

Clients have also been very busy throughout the year knitting and crocheting. They held a stall at the Orange Festival and raised over \$400. The remainder of the items were packed up and delivered to the Children's hospital in Sydney.

We rely greatly on volunteers for our out of town transport and delivery of Meals on Wheels and the volunteers that work tirelessly for the community are greatly appreciated.

Bingara CHSP is operated by two part time staff and during this period have delivered the following services to the community:

Clients receiving services	174
Transport trips provided	2166
Meals provided in home	857
Meals provided in centre	1725
Group social support	5961
Individual social support	2982

Warialda

It has been a busy few months with My Aged Care, Clients Charter of Rights and Aged Care Quality Standards.

Wellness and Re-ablement has been implemented into our CHSP service. We offer clients the support they require by assisting them to achieve their independence and goals, this may be assistance short term or long term.





CHSP transport service provides local services as well as out of town services traveling from 5km per day to 600km per day.

My Aged Care is a Government initiative providing a main access point to the aged care system in Australia.

My Aged Care is aimed at older people, their families and carers, as well as service providers. The website offers information on aged care as well as help in finding local providers such as aged care homes. Users may also be referred to My Aged Care by a hospital, community based health professional or local GP.

Grandfather clients for My Aged Care are those clients who were already receiving services through the former Commonwealth Home and Community Care (HACC) prior July 2015. Grandfather clients for My Aged Care are currently in progress will be finalised by the due date 23rd October.

CHSP Coordinator attends monthly Community Health meetings and three monthly Advisory Committee meetings.

Newsletters are distributed to clients monthly, keeping them up to date what is happening and up and coming events.

CHSP Coordinator submitted two proposals to the Advisory Committee. The first was to have the Delungra Day centre cleaned fortnightly. This has been put in place. The second proposal was to have half the fence replace at the Delungra Day centre at this stage the Coordinator has had no correspondence.

Our community transport access bus travels to Inverell fortnightly.

Our services rely greatly on volunteer workers to assist with the delivery of services, the CHSP services would not survive without volunteers. They are very competent at what they do.

Surveys are undertaken throughout the year regarding meals in centre, Meals on Wheels, outings and CHSP services.

Warialda/Delungra day centres celebrate birthdays at the end of each monthly, Pancake Day, St Pat's day, Anzac day, Good Friday and we end the year with a Christmas party, we also have outing for clients throughout the year.

Warialda/Delungra CHSP services are operated by a full time staff member, during the reporting period they have provided the following services:

- 104 Clients receiving services
- 1185 Transport trips provided
- 636 Meals provided in home
- 3038 Meals provided in centers
- 6287hrs Group social support
- 451hrs Individual social support

The Gwydir Health Alliance

The Gwydir Health Alliance was formed in 2017 between the community, Council and various health providers with the aim of providing ongoing quality and consistent health care for our residents. The Alliance meets quarterly and consists of members from NSW Rural Doctors Network, Rural and Remote Medical Services (RaRMS), Hunter New England Local Health District, Bingara and Warialda MPS, Bingara and Warialda Aged Care Facilities, local General Practitioners, NSW Ambulance service, local Councillors, the General Manager and the Deputy General Manager of Gwydir Shire Council and several members of the community.

One of the initiatives undertaken during the reporting period was to make representations to, and petition the Federal Government with regard to changes to its Stronger Rural Health Strategy - Improved Access to Australian Trained General Practitioners (Strategy).

The Alliance believes that rather than addressing the shortage, the Federal Government's Strategy detrimentally impacts on the recruitment of adequate GP workforce to service these locations. Furthermore, the 20% reduction in Medicare rebates available to new non-vocationally registered GPs as part of the Strategy (i.e. the introduction of A7 Level Medicare rebates for non VR GPs not on an approved GP training program), further compromises the viability of general practice in rural locations at a time where drought affected communities can least afford a decrease in access to GP services, or an increase in health care costs.

Even though the petition to the Federal Government did not effect change and the Strategy was implemented, the Alliance remains resolute in seeking the optimum services for our residents.

During the reporting period, the Alliance also made representations to the NSW Minister for Health.

Our Achievements in Building Services

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

- Building 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 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, Courtney Loosemore

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 2018-2019 financial year Council inspectors carried out 33 pool inspections and issued 30 swimming pool compliance certificates.

The 2018-2019 financial year saw the 3rd year of the 3-year rolling program for inspections, which means that all known swimming pools within Gwydir Shire have now been inspected once. The program will continue to be undertaken on a yearly rolling basis as required by the NSW Government.

Right: Building Services Supervisor Steve Power conducting a pool inspection

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 Gwydir Shire. 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 over 100 Council owned facilities. Staff also responded to after hour storm damage and emergency repairs to Council buildings.



Right: Carpenter/Painter Grant Bennett installing a Defibrillator mounting bracket

Capital Works

The majority of our regular Capital Works program has been deferred to allow Building Services staff to undertake projects under the Stronger Country Community Fund and other Grant funded projects.

These projects included the following:

- Coolatai Sportsground – Construction of new amenities building
- Warialda Memorial Hall – Construction of new amenities building
- Bingara Showground – Construction of stables & re-roofing of existing stables
- Warialda Rail Sports Ground – Extensions to club house
- Warialda Recreation Ground – Refurbishment of amenities
- Gravesend Public Hall – Re-roofing of awning and painting of building gable end
- Warialda Rail Sports Ground – Installation of playground equipment
- Warialda All Abilities Park – Installation of BBQ shelters and playground equipment
- Warialda Memorial Hall – Re-roofing above foyer and installation of air-conditioning
- Croppa Creek Hall – Refurbishment of kitchen
- Upper Horton Landfill - Fencing

*Top right: Croppa Creek Hall –
Refurbishment of Kitchen*

*Bottom right: - Coolatai
Sportsground – Construction of
amenities building*

Public amenities

Disposable sharp units were installed in every public amenity during the 2018/2019 reporting period.



Training

Council's Building Services staff underwent the following training to ensure their ability to maintain a safe and compliant workforce throughout the 2018-2019 reporting year:

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



Staff also participated in 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.

Our Achievements in Environment and Sustainability

Environment

Compliance

The department through The Riverfront management plan saw the redeployment of an additional staff member to conduct camping inspections along the Gwydir River. Inspections of camping areas are done daily through the working week and staff attending call outs after hours as required. There were no major incidents in the camping areas. The main compliance issues staff deal with is visitors setting up camp outside the designated areas. Through the Drought Relief Funding three new types of signage was installed and a series of native plantings.

Stylish entry signs now adorn all of the camping areas informing the name of the area, the campground number, speed limit and camping. In partnership with the Gwydir Ark, local residents of local fauna and habitat installed interpretive signage featuring photos and artwork. Compliance signs were also installed cautioning visitors to the areas of the potential dangers and restrictions in place for each area. Technical services also graded and sealed sections of the camping ground entrances.

The plants serve two purposes, a replanting of native species to rehabilitate the former river common area and to guide visitors to the camping areas and restrict easy access to the no camping areas.

New safety lights went onto both Ranger's vehicles, making them highly visible at night and enabling them to have a safer workplace when attending to afterhours call outs.

The Regulatory officers seized 2 cats which both ended up back with their owners.

The Regulatory officers seized 5 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 18 dogs were seized and transferred to the impounding facility and an additional 2 dogs were surrendered. Of these, one was returned to its owner, five were rehomed within the area and another 6 were released to rehoming organisations. The staff have networked with a number of rehoming organisations across the state ensure that the maximum number of unclaimed suitable pets find a new home.

Due to the dry conditions staff attended calls to stock being on the road reserve. They would secure the stock whilst attempting to contact the owners to have them secured.

The number of Grazing permit Concurrences processed increased by 263% to 113 for the period. The application forms were reviewed and streamlined to accommodate the expected increase.

During the period, 3 vehicles were impounded. The owners were notified but they did not claim the vehicles and they were subsequently sold under the Impounding Act.

Staff dealt with a number of Non Companion Animal matters.

One Noise complaint was dealt with through a warning letter.

12 overgrown and untidy blocks were inspected and a notice of intention was issued. Seven of these went to order.

Seven stock/non-companion animal requests were investigated and a notice of intention was issued. Three of these went to order.

Two fencing issues were investigated and a notice of intention was issued. Both of these went to order.

One septic issue was investigated and a notice of intention was issued and went to order.

Penalty Notices

- Companion Animal 8 Penalties issued
- Stock 3 Penalties issued
- Fail to comply with terms of notice erected by Council 20 Penalties issued
- Fail to comply with order 4 Penalties issued
- Unlawfully dispose of asbestos 1 Penalty issued
- Liquid escape from stock crate 1 Penalty issued

Noxious Weeds

Routine inspections, reinspections, education, weed control and identification was completed for the period.

This year marked the fourth year of the 5 year Weed Action Plan. The number of properties in section D were inspected and control information and advice given to landholders regarding their biosecurity duties.

Staff were able to take Long Service for a large portion of the year without disrupting operations due to the drought. With minimal active growth of many priority weeds, control activities are not effective.

Our weeds officers have roots of family on the land and extend that understanding to our property owners experiencing current hardships.

The department has started to implement Chartis software for GPS capturing and reporting weeds data to the standards required by the DPI.





The Department also coordinated the removal of a large portion of Giant Cane Grass from the village section of Reedy Creek in Warialda. The project was a great success, unclogging the section of creek that the Rotary Club maintain as a walking track.

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 Harissa Cactus containment line at North Star was held with control works done across the area.

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 continuing north along the Warialda Road and along the North Star Road. Aquatic High Risk Pathway funding from the DPI was utilised for the purchase of Kayaks for the Weeds Unit to inspect hard to reach portions of the river.

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.

Educational activities

The Noxious Weeds Officers ran information stalls at Bingara and Warialda Shows and AgQuip throughout 2018-2019. Here they had 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 to attendees.

Health

Food Inspections

All medium and high-risk food businesses had an annual inspection during 2018-2019. Mobile food van and stalls had a brief inspection as per the Food Authority's guidelines. 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 mobile and home food businesses were given the relevant information and no complaints were received for the period. Staff attended regional meetings and training sessions with the Food Authority to ensure their skills and knowledge are up to date with current standards.

Water sampling

Weekly water sampling was conducted for Bingara and Warialda throughout 2018-2019. Fortnightly sampling for Gravesend and monthly sampling for North Star was conducted as per the NSW Health requirements.



Electricity

Electricity consumption continues to be monitored through the Planet Footprint service. Expenditure decreased from \$632K for the previous period to \$588K and usage dropped from 8028GJ for the previous period to 7783GJ for 2018-2019.

Council's 3 largest sites (Naroo, Bingara Water Treatment Plant and the Warialda Sale Yard Bore), Street lighting, and all the small user sites, are contracted using Local Government Procurement who negotiate for 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.

Private works

The following are part of funded regional activities for intensive weed control and eradication and containment.

25-29/06/2018 New England Weeds Authority tropical soda apple \$2726.30

(Works were done in the previous period and income received in the reporting period)

20-21/11/2018 DPI - Gunnedah Shire Council Gwydir River Risk Assessment \$1071 plus GST

Our Achievements in Waste

Through the hierarchy of Avoid, Reduce, Reuse, 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 (7) facilities across the Shire. Warialda and Bingara have a fully staffed landfill operating seven (7) 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 Food Organics Garden Organics Bin (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 throughout the Shire. Two workshops sessions were delivered at Bingara Central School and one at Warialda preschool during the 2018-2019 reporting period.

There are Public Place Bins in parks, ovals and rest areas across the Shire.

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

The 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.

Gwydir Shire Council continues to be an active member of the Northern Inland Regional Waste Group that 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 288kg per service was collected in the Red bin over 1522 services down from 314 kg
- An average of 140kg per service was collected in the Yellow bin over 1522 services down from 164 kg

- An average of 105kg down from 144 kg per service was collected in the Green bin over 1357 services down from 144 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. The decline in green bin mass is due to the ongoing drought with less moisture mass going in and the lack of active garden growth.

Gwydir Shire Landfills and Transfer Stations

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

Upper Horton was fenced with a 6-foot chain mesh fence with 2-strand barb.

Tip shop sold \$3503.74 worth of items back to the community that otherwise would have been buried at the landfills. This was up ever so slightly from \$3471.95 from the previous period.

The Lead Acid battery recycling sales income for 2018-2019 was \$3154.66.

The Northern Inland Regional Waste group and EPA sponsored Household Chemical Clean Out was hosted at Warialda Landfill in August. 2198.65 kg of toxic products were recovered for safe disposal. This was up significantly from 1249.8kg in the previous period. 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. Nine (9) interments were made for the period at Warialda and eight (8) at Bingara.

Five (5) interments of ashes were made in the Warialda columbarium and none (0) at Bingara. Bingara Cemetery had new signage installed for both the older and newer parts of the cemetery. Two new columbarium walls with twenty-four (24) niches each were erected.

Warialda cemetery had three (3) rows extended to accommodate seventy-two (72) new plots in the lawn section. Adjacent to the Roman Catholic section a whole new plinth was constructed by the technical services team with One hundred and fifteen (115) plots available on each side of the plinth. A compostable toilet was also added to the site as part of the Drought Relief funding along with some brand new signage.

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 (5) 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 a bank infiltration chamber, the water is then treated using a 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 northeast of Gravesend. Water is disinfected with sodium hypochlorite before being delivered to residents.

Right: North Star elevated tower

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 2018-2019, a total of 964ML 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.

Water Supply Capital improvements 2018-2019 included:

- Water Component of The HPVR truck wash bay
- New water connections
- Water main extension Spring Street Bingara – ring main to Bywong St
- Chlorination Unit upgrade at BWTP
- Construction of 2 portable water tank frames with pumps
- Water main extension of Gragin Road – due to HVPR
- Water main extension to Bingara cemetery
- Water Main extension at Bingara Saleyards

Right: water main extension to Bingara Cemetery



Water Operations and Maintenance

Council's four (4) water supplies operate under Drinking water quality management system that involves placement of multiply barriers of protection to ensure water quality is maintained. Inspection

and Testing of water quality on daily basis and following protocols is one the barriers utilised. As an independent check, Councils environmental section collects water samples from the reticulation system of the four supplies and sends to NSW Health laboratory for analysis. In 2018-2019 Gwydir Shire water met the parameters of Australian drinking water guidelines by 100%.

In October 2018, 2 x Bingara reservoirs and one Gravesend Reservoir underwent cleaning.

Two (2) new water connections were installed during 2017-2018. Ten (10) water service lines were replaced from main to meter and seventy one (71) service lines repaired.

Ninety one (91) water meters were replaced due to age limit or faults and thirty four (34) water main breaks were repaired.

Water Restrictions

Level 1 Water restrictions were introduced Shire Wide on January 7th 2019 due to a long period of minimal rain and high temperatures. Level 1 restrictions prohibits watering between 8am to 8pm. On the 11th February 2019 level 1 restrictions were modified to 10am to 6pm due to numerous requests from the public. On the 8th of April, water restrictions were lifted completely from all Gwydir Shire Council water supplies.

In addition to Shire wide restrictions, Bingara had emergency restriction from Monday 18th March to Wednesday 20th March due to an electrical fault caused by a lighting strike in the vicinity of the Water treatment plant. The power failure at the Water treatment plant meant the plant didn't start automatically as is normal practice. The plant could not keep up with demand so water restrictions were introduced for three days to allow the plant to catch up.

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 is 250ML/year into Reedy Creek. The yearly inflow into the sewerage treatment was 160ML, 38ML 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 a trade waste charge levied each year.

Capital Works

- 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

- New Submersible ponds pumps September 2017 at Warialda sewerage treatment plant (WSTP)
- Four (4) new sewer connections were installed
- New sewer effluent rising main from WSTP to Ponds
- Electrical switchboard was replaced at WSTP
- 10Kw solar panel system was installed at WSTP
- Telemetry alarm system was upgraded at WSTP



*Top right: Warialda STP – switchboard
Bottom right: Warialda STP solar*

Workshop

Council operates two workshops. There is a Workshop supervisor, one fulltime mechanic, one fabricator/welder, two (2) apprentice mechanics and one (1) school based trainee mechanic located in Warialda. A Workshop supervisor and one apprentice mechanic operate the Bingara workshop. During 2018-2019, the workshops completed 183 services and carried out 968 repairs to individual items of plant. Council's fabrication section constructed Bingara Town entry signs, a plant trailer for Road Reclaimer tools, two skid mounted potable water tanks, a truck wash bay staircase and platform along with plant welding repairs.



Above: Bingara town Entry sign

Top right: truck wash platform

Right: New Trailer for Road Reclaimer - complete



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

Description	Number
Graders	7
Excavators	2
Front end Loaders	2
Backhoes	4
Skid Steer Loader/sweeper	1
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	2
Jetpatcher	2
Watercarts	5
Medium tipper trucks	5
Light trucks	5

Plant Replacement Program:

The following new items of plant were purchased in 2018-2019.

- P1891 – Caterpillar RM300 Road Reclaimer
- P1917 – Western Star Tip truck
- P1916 – Caterpillar 12M Grader
- P1914 – Kubota Track Loader
- P1915 – Kubota Mini Excavator
- P1925 – Bogie axle Tag Trailer
- New caterpillar 938K front end loader has been ordered with 50% payment 2018-2019 period delivery is expected December 2019



Right: Road Reclaimer delivery

Top right: New Western Star Tip truck

Middle right: Kubota track loader and Mini Excavator

Bottom right: Bogie axle tag trailer

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

- P1708 – Toyota Hilux utility
- P1457 – Hino Pantech
- P1701 – Hyundai iLoad van
- P 1707 – Mitsubishi triton ute
- P1778 – Ford Mondeo
- P1682 – Toro quad steer mower
- P1656 – Ford Ranger 2WD ute
- P1780 – Mitsubishi Triton 4WD ute
- P1784 - Mitsubishi Triton 4WD ute

Parks and Gardens

Gwydir Shire Council operates and maintains 15 parks, 3 sports fields, including 11 playgrounds, 12 reserves and numerous gardens. There is two separates work crews the South Crew maintain, Bingara, Upper Horton, Glacial area and Myall Creek memorial site. The North Crew maintain Warialda, Gravesend, Warialda Rail, Coolatai and Cranky Rock reserve. The community and numerous visitors use these facilities and it is Councils aim to keep these areas in prime condition.

Right: Bingara Main St gardens - turf

In 2018-2019 Captain Cook park playground underwent a major refurbishment. The project was initialled by Warialda playground fund raising committee and supported by Warialda Rotary Club. These two groups raised a total of \$15,740 totals the upgrade of the playground, Gwydir Shire council committed another \$36,000 to the project, which involved removal of existing playground equipment, fitness equipment, soft fall and retaining logs. The new playground was purchased and installed including new soft fall retainment logs and soft fall. In the future, under Stronger Country Communities funding the playground will have two shade sails installed.



Top right: Captain Cook Playground equipment 2

Council was fortunate enough to obtain funding under the Stronger Country Communities Program Round 2 for installation of shade sails at Cunningham Park Playground Bingara.



Middle right: Bingara Cunningham Park Shade Sails

CWA Park in Bingara was gifted \$10,000 from a passing visitor, Council elected to extend these funds and replace existing park furniture with modern shelters, tables and chairs. Councils building maintenance under took the removal and installation of the new furniture that included concrete pathways leading to the shelters.



Bottom right: CWA Park upgrade shelter-table-chairs

Bingara Showground

Gwydir Shire Council is the trustee for Crown Land reserve D560019 Bingara Showground. Council maintains the showground in consultation with four main user groups, Bingara Show Society, Bingara Pony Club, Bingara Polocrosse and Bingara Jockey Club. The showground is a popular for holding large regional equestrian events due the size and facilities available on the site. During 2018-2019, the following major events were held

- Bingara Races
- Bingara Pony Camp
- Barrel Racing
- Bingara Show
- Pony Club mini camp
- Fifth Wheelers Rally – September 2018
- Australian CV Club – Northern Bushwhackers chapter Rally December 2018
- Darling Down Wanderers Caravan Club Rally June 2019
- Numerous one day equestrian events



Under Stronger Community grant Round 2, the showground received \$50,000 towards construction of a new stable block. Stable block B also had the roof replaced through an insurance claim for storm damage.

Right: Bingara Showground New Stable block 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 during 2018-2019 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 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, The Wialalda Honey Festival, Bingara and Wialalda Drought Relief Christmas events, The Gwydir Community Education and Business Awards, The Bingara Australia Day Celebrations, Gwydir New Residents Welcome Events, Small Business Month Events and a series of Farming Families events held in each town and village within the Shire. In addition, Council provided cash and in-kind support to a range of community events such as the Bingara and Wialalda Men's Health nights and agricultural shows, the North Start Trail Ride, the Wialalda Women's Health Night and the Upper Horton Rodeo to name a few.

This year's Bingara Orange Festival 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, and based on visitation numbers on the day, and feedback post event it is clear that continuing with this theme will help to grow the festival into a regional event.

An overwhelming number of nominations were received for this year's Gwydir Community Education and Business Awards with just over 150 nominations received over the five categories. 67 different businesses or employees were nominated with nominations received from a range of sectors including hospitality and services, to aged care and retail.

A highlight of this year's awards was guest speaker Telstra NSW Small Business Woman of the Year and NSW Regional Woman of the Year finalist Edwina Sharrock.

The winners of the Business Awards were

- Junior Employee – Noah Bilsborough (Alan Bilsborough Mechanics Bingara)
- Senior – Kath Williams (Australian Unity)



- Small Business – Ray White Rural
- Large Business – Bizclean
- Successful Start-up – The Bingara Laundromat
- An award for outstanding contribution in Business went to Keith Moore. This award was accepted to a standing ovation.

As the crippling drought, started to take a toll on our community Gwydir Shire Council identified the need to implement a series of events aimed at providing the community with an opportunity to have a night away from the farm and to come together as a community in a social capacity.

Gwydir Shire Council in partnership with Healthwise NENW and Warialda Rotary presented a family friendly drought relief event for the community of Warialda featuring Adam Harvey and support act Judah Kelly. The event was attended by around 750 people and was extremely well received.



In Bingara an estimated crowd of 850 people gathered on Gwydir Oval for the Bingara Christmas Carnival Concert for the with guest performers John Schumman from Red Gum and Shane Howard from Goanna along with local support performances from Bingara performer, Tash Cooper, and the Bingara Preschool and Bingara Central School.

Santa also made an appearance during the early part of the evening, delivering gifts for the children on behalf of Melissa Zwiemp from the Macleay Toy Run.

In early 2019, Gwydir Shire Council's Social Services department was successful in securing a grant of \$35,000 to support the Gwydir Shire's farming community through the devastating financial, social and emotional effects of the current drought.

The funds, which were provided by the Hunter New England and Central Coast Primary Health Network, aimed to deliver events and services to communities experiencing tough times due to extreme drought conditions.

These funds were sourced following an increase in calls to the Council's Social Services Department from residents seeking help and advice.

The Marketing and Promotions Department were responsible for expending these funds facilitating a two-part initiative to assist the Gwydir Shire farming community. The first phase, which took place in mid-March, saw over 60 Gwydir Shire Council community members take part in Mental Health Support Skills training. The free 3.5 hour workshops equipped participants with the skills to identify the signs and symptoms of common and disabling mental health problems, how to provide initial

help, where and how to get professional help, what sort of help has been shown by research to be effective, and how to provide help in crisis situations.

The second phase took the form of social evenings complete with a hearty meal and cold drinks with a range of drought assistance services and agencies in attendance and provided advice and assistance to those in need in a broad range of areas from drought feeding to rural financial counselling.



The events were extremely well attended with close to 600 attendees participating across the seven events.

Tourism

Gwydir Brochure

The new Gwydir Shire tourist brochure was released at the end of this month and features all the sites, accommodation, attractions and services a visitor will need to plan their next trip to the Gwydir Shire. In the past council produced two separate brochures, one for Warialda and one for Bingara; this new brochure has replaced them both and includes information on the surrounding villages as a way of encouraging visitors to explore the whole of the Shire.



Visitor Centres

The Shire is proving to be growing in popularity amongst 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 5919 visitors were greeted at the Warialda Information Centre in the year, with an additional 4631 visits to Services NSW totalling 10,550 visits to the centre. In Bingara, a whopping 7261 visitors were met by our friendly staff for tourism related information, which is up by 309 visitors on last year.

Roxy Theatre

The Roxy continued to provide a range of unique cultural events from live ballet with the Melbourne City Ballets performance of Carmen and musical performances from Travis Collins, The Big Country Show and iconic Australian performer Kamhal to live theatrical performances with Menopause the Musical and several exciting shows for school aged children. Thursday to Saturday evenings as a Wine Bar.

Our Achievements in Library Services

Library Services

Gwydir Libraries continue to prove very popular with local residents and visitors to the Gwydir, 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 Council could possibly deliver as a standalone 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 60's
- Story time - 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 libraries also celebrate 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 Women's Day, National Simultaneous Story time, One Book – One Region, Reading Hour, Book Week, Summer Reading Club and Local Government Week where our young people interacted with their Councillors.

Gwydir Shire libraries have continued exploring the realms of innovative ways to reach members across its vast Shire. In addition to the existing successful branches in Bingara and Warialda, Council has expanded the services through the successful Outreach Program, which enables residents in more remote areas of the Shire to connect with their local library through digital technology as well as having exposure to a travelling librarian who visits the outer lying towns and villages.

The Outreach Program also presents a range of activities including story time and activity sessions - presented at Yallaroi, Gravesend and Coolatai pre-schools, schools and playgroups.

The Outreach Program has been developed as part of the library service strategy to deliver library services to those communities who may suffer from geographical isolation or may not have access to information services that support traditional library usage.

Over the past 12 months, the Gwydir Library services were fortunate enough to receive visits from three outstanding authors. Scott Whitaker, author of Railway Hotels of Australia visited Warialda library to talk about the next book in his series featuring the Warialda Rail hotel; Nicole Alexander launched her latest novel Stone Country at the Roxy Theatre in Bingara and Jo Spice presented an



inspiring talk about her life as an author and journey with cancer. These visits provided a fascinating insight into the mind of an author and the book writing process.

Gwydir Shire's application for the redevelopment of the Bingara Civic Centre into the Bingara Library was successful in gaining \$200,000 through the NSW State Library Development Grants and subsequently with the addition of a further \$300,000 through the NSW Government's Stronger Country Community Funding – Round 2. With a contribution of \$91,800 by Council, the project has been scheduled as a Capital Project which is scheduled for completion by the end of 2019. This will deliver a purpose built library in the currently seldom used Community Civic Centre allowing transfer of local library services from the existing space which is unsuitable and has become outgrown.

The Bingara Civic Centre is ideally located in the central business hub and has the capacity and potential to be developed into a well-designed, purpose built library. The resulting Library service will meet the community vision of a vibrant, dynamic, comfortable, modern and accessible Community "Living Room" that was identified in the community consultation phase.

The next couple of years will be very exciting and challenging while the new Bingara Library Project is being delivered. The local community and users are very excited about the new library and it will become a focal point of the local landscape.

Our Achievements in Property and Liaison

Caravan Parks

Bingara Riverside Caravan Park

Substantial works has been undertaken at the Park from 1 July 2018.

These include:

- installation of a security key box
- releveling of the deluxe cabins
- painting and oiling of landings
- construction of handrails on the deluxe cabins
- adjusting stairs to be compliant
- removal of trees (final stage completed)
- installation of an air conditioning unit in the office
- repairs to access amenities
- camping sites levelled
- barbecue shelter painted
- installation of gutter guard on the deluxe cabins, and
- powered site electricity boxes replaced or upgraded.

All works are within 2018-2019 budget allowances.

A permanent residential site has been cleared and levelled. This site will no longer be available as a permanent residential site but rather will be used as a powered short term site.

Warialda Caravan Park

Substantial works has been undertaken at the Park from 1 July 2018.

These include:

- releveling of the deluxe cabins
- painting and oiling of landings
- construction of handrails on the deluxe cabins
- adjusting stairs to be compliant
- releveling of amenities block and gutter guard installed, and
- purchase and installation of two new washing machines.



All works are within 2018-2019 budget allowances.

Cranky Rock

Substantial works and projects have been undertaken at the Reserve from 1 July 2018.

These include:

- installation of a new boundary fence from the creek to the base of the observation rock walkway (this includes the replacement of the turnstile with a self-closing gate)
- installation of two resting benches (near new gate, and adjacent to the platform)

- additional tourism signage
- parking lot drainage upgrade and bitumen seal swept
- security lighting and fans installed at the residence
- creation and use of promotional video
- installation of a new water tank in the residential yard
- renovation of the playground with concrete edging and installation of softfall
- installation of a residential OSSM system, and
- installation of a reserve OSSM system.

The reserve caretakers constructed a large open air seating area which is used by visitors, particularly groups.

Wikicamping has become a powerful tool promoting our caravan parks and Cranky Rock. The continual positive comments are contributing, particularly to increased visitation at Cranky Rock.

Swimming Pools

At Council's Special Ordinary Meeting on 24 January 2019, it was resolved that during the period of drought and excessive heatwave conditions that the entry fee to the Council's Warialda and Bingara Pools be waived in consultation with the Pools' Contractors when the predicted temperature at Moree is set to be equal to or exceed 100 Degrees Fahrenheit or 37 Degrees Celsius (Ref: 6/19). This resolution was implemented and commenced on Saturday 26 January 2019 and continued to the end of the swimming season.

Warialda Swimming Pool

Substantial upgrades were completed at the pool to make the complex safer, including:

- a new submersible pump fitted to control stormwater runoff,
- a complete electrical overall,
- all benches sanded and painted,
- trees trimmed,
- a palm tree removed,
- the rock area fenced off,
- the plant room cement hob replaced,
- replacement blower equipment installed,
- the kiosk and entry flooring recoated with nonslip paint
- the pool hobs (both main and wading) and blocks recoated with nonslip paint
- the perimeter fence secured (new low running wire installed)
- new mesh fitted to the wading pool fence, and
- wading pool tiles repaired and some replaced.

The pool itself has been painted in the off season and is looking fresh.

Bingara Swimming Pool

The NSW Government initially funded a project at the Bingara Swimming Pool Centre in the sum of \$229,834 for the purposes of upgrading and fibreglassing the pool, the supply and installation of solar pool heating and, the supply and installation of a pool cover.



After entering into this agreement, Council discovered, through extensive onsite assessments by several specialists that the Bingara Swimming Pool could not be repaired and it needed to be replaced. A variation was successfully sought and the amount of \$229,834 and Council's contribution of \$15,000 is now allocated to the replacement of the existing wading pool and the construction of a new splash pool.

The new splash pool project also received funding in the sum of \$267,000 through the Restart NSW Fund - Big River Dreaming project.

Council was also successful in securing a further \$195,800 from the Federal Government through its Move it Aus – Community Sport Infrastructure program.

A grand total of \$707,634 was externally sourced for the splash pool project.

Council obtained an Opinion of Costs from Facility Design Group, Architecture and Construction for a new splash pool which totals \$616,800. These costs include demolition and removal of existing wading pool, engineered fill to excavation area, services augmentation, a new plant room, balance tank, filtration plant and UV filter, new concourses, shade structures, and a new shallow water splash pool structure including water features.

Council initially considered a splash pad, but after consultation with the community stakeholders, it was felt that a body of water which allows toddlers to float, blow bubbles and become water aware was preferred.

Subject to community collaboration, it is envisaged that the 'theme' will be for the visitor, primarily families, to discover and learn about the animals that live on, near or above the Gwydir River. Council has successfully conveyed this 'theme' at Cranky Rock through signage which include incredible photos, interesting information and 'fun facts'.

An amount of \$400,000 was also obtained for the construction of an Activity/ Recreation Centre at the Bingara Pool Precinct through the Restart NSW Fund - Big River Dreaming. During the reporting, project planning was undertaken for the renovation of the existing amenity and kiosk building, and the construction of an all access amenity and multipurpose area.

In regard to the existing 33 metre pool, it was recommended by three external assessors that no further monies be invested in trying to repair the ageing and damaged structure. It was determined that any repairs will not overcome the instability of the south western corner and the area where the water is continually leaking through. Over the coming year Council hopes to source funds to construct a 25 metre replacement pool.

Medical Centres

Council continues to liaise with RaRMS. This partnership assures that the community has access to the best possible medical services.

Council continues to repair and maintain the Warialda and Bingara Medical Centres. Council also continues to provide three residences for use by medical professionals.

Warialda

During the reporting period, renovations were undertaken to the back treatment room and new floor coverings were installed.

Bingara

The interior of the Bingara centre was painted during 2018-2019.

Dr Neil Wearne donated the materials for a four bay carport for use by the Centre's staff. Council constructed the carport and laid gravel. Council thanks Dr Wearne for his generosity.



Myall Creek Memorial - Liaison

Council continues to liaise with the Friends of Myall Creek Memorial committee. During the reporting period, the following was achieved:

- Successful annual ceremony with Council providing traffic control, logistical and administrative assistance. Local RFS volunteers also assisted on the day.
- Memorial site fenced and grid installed.
- Travelling Stock Route (TSR) used to graze cattle due to ongoing drought conditions.
- Council staff attended Friends of Myall Creek Memorial Committee meetings, which were held quarterly.
- Council coordinates onsite volunteering which includes regular maintenance.
- Council undertook a weed control program on the Memorial site

The partnership of Council and the Friends of Myall Creek Committee was recognised at the 2019 NSW Local Government Awards by being named finalists in its Excellence in People and Culture category.



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.

During this reporting period the Bingara branch undertook 2856 transactions and Warialda 4631 both of which are up on last year.

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, form lodgements for Fair Trading, owner builder permits, Working with children Check, Nation Heavy Vehicle work diary and photographic advice for Firearm licence.

At the end of June 2019, Services NSW undertook an agency health check of both branches with excellent results. The health check summarised that while the Bingara and Warialda branches are two of the smallest in NSW and 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.

Centrelink

The delivery of Centrelink contract services continues to operate as a vital service within the Bingara Community particularly as drought conditions worsen throughout the Shire. This service has been an invaluable resource for farmers and has assisted many primary producers to access the Farm Household allowance.

During the last twelve months, there has been a significant shift for clients to use digital reporting and lodgements and the Bingara branch has achieved very high levels of conversion of clientele to the new format. Additionally clients are being urged, once they have converted to the digital format to connect to a range of services, which are delivered by Human Services.

These include not only regular social security payments but also Medicare, Australian Taxation Office, Centrelink, Australian JobSearch, My Health Record, My Aged Care, Child Support, Department of Veterans' Affairs, National Disability Insurance Scheme, Drought and Disaster Relief.

The Agency has supported the Department of Human Resources business directive to encourage customers to register for myGov enabling online access to their records.

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 is well underway. For a SMS to actually 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 is hoped to be completed in 2019-2020 and 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.

The following actions have been designed to improve and maintain a positive safety culture that supports a safety management system that achieves its objectives.

Safe Work Method Statements review

Safe Work Method Statements for high risk work were revised, simplified and implemented in December last year. Consultation for further revisions of SWMS's will now occur every year in November and inductions are now carried out for all operational staff and contractors every year in December.

Pulse Survey

Peoples perceptions of safety determine their safety related behaviour, so a safety 'pulse' survey was carried out last year to identify the positive and negative perceptions of Council's management system. This was an anonymous survey that benchmarked staff perceptions of safety in general and identified several areas for improvement.

WHS Action Plan

The results of the pulse survey were incorporated into the system review and a WHS Action Plan was developed and adopted in January this year. The plan addresses processes and actions to improve our safety culture and compliance for staff that reflects AS 4801 reporting requirements.

The objectives of the action plan are:

- Reduction in incidents and injuries
- Increased consistency with WHS throughout the organisation
- Clear and proactive leadership with WHS at all levels of the organisation
- Development of a fearless incident reporting culture
- Supervisors and workers actively making safety a priority
- Active involvement in use and better understanding of SWMS's

- Better management of contractors.
Gradual improvements are being realised as our culture slowly changes.

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	2019/20	2018/19
Environmental Impairment Liability	\$56,295.00	\$56,295.00
Personal Accident	\$3,626.00	\$3,679.00
Workers Compensation Top up	\$3,795.00	\$2,817.00
Accumulated Sick Leave	\$10,657.00	\$8,399.00
Casual Hirers Liability	\$4,521.00	\$4,450.00
Councillors and Officers Liability	\$34,083.00	\$33,546.00
Crime	\$9,005.00	\$8,864.00
Motor Vehicle	\$182,126.00	\$179,411.00
Property	\$290,512.00	\$242,911.00
Public Liability-Professional Indemnity	\$174,642.00	\$182,673.00
Totals exc. GST	\$769,262.00	\$723,045.00

Project Management

Climate Change Adaptation Plan

Staff across several business units including Risk have been working on the development of a Climate Change Adaptation Plan and completed the plan in August 19.

The objective 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.

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.

Contractor Insurance Management System

Council's current electronic contractor insurance management system (CIMS) that is currently provided by Council's insurer will no longer be provided free after December 2019. Staff have been considering options for an alternate system and are currently working to ensure that the transition to a new system will be as seamless as possible for Council's contractors and Council staff.

Gwydir Fitness Centres

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 8 Bombelli Street. This is a community facility managed by Gwydir Shire Council. There is electronic entry and 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 community with a facility to help promote a healthy and active life style, while also having the facility available to those who are working on rehabilitation or just keeping mobile.

Gwydir Shire Council introduced a new brochure in 2018-2019, which were distributed to the medical centres and are available at the front counters at the Bingara and Warialda Council offices.

GWYDIR FITNESS CENTRES

CARDIO TRAINING

STRENGTH TRAINING

gwydir fitness centres

Contact

Gwydir Shire Council
33 Mailland Street, Bingara, NSW 2404
Ph: 02 6724 2000

54 Hope Street, Warialda, NSW 2402
Ph: 02 6729 3000

Gym Locations

Bingara
8 Bombelli Street, Bingara, NSW 2404

Warialda
38 Hope Street, Warialda, NSW 2402

Website
<http://wfc.gwydirshire.com>

www.facebook.com/GwydirFitnessCentres/

Benefits

Strength Training

- Improved muscle strength and tone - to protect your joints from injury.
- Maintaining flexibility and balance, which can help you remain independent as you age.
- Weight management and increased muscle-to-fat ratio - as you gain muscle your body burns more kilojoules when you rest.

Cardio Training

When you do cardiovascular exercise regularly, it decreases your blood pressure and your resting heart rate. This means your heart doesn't have to work as hard all of the time. This is good for your entire body.

Aerobics Training

Aerobic exercise tones your muscles and improves posture. Aerobic exercise (over time) gives you more energy to work out. By increasing your body's ability to take in and use more oxygen for fuel, aerobic exercise can increase your stamina, giving you more energy for both work and play.

STANDARD OPERATIONAL PROCEDURE

- Membership fees are payable at the Owydir Shire Council office.
- All users must complete the 'Pre-Screening and Induction Process' prior to gaining membership. Members must also sign the Standard Indemnity Form.
- Membership payments are standardised for all users. Members have unlimited use of the facility 7 days per week.
- Membership payments are non-refundable.
- Membership fees are reviewed annually.
- A \$20 deposit is required to be paid to cover the cost of the entry fob.
- Both facilities are unsupervised and equipped with Fob Security entry and CCTV security screening.
- Due to liability concerns, members will not be permitted to bring children into the Fitness Centre while they are participating in personal fitness work.
- Family members under the age of 15 may use the aerobic equipment, but are not permitted access to the weights room.
- These junior or family members must demonstrate via the induction process that they are competent on each of the aerobic machines.

- Centre management reserves the right to refuse Family or Junior Membership to those who are unable to demonstrate the above level of competency.
- 15 year old children may have access to the weights room when under the care of qualified supervision. A qualified person is an approved member or casual instructor who holds a Certificate III in Fitness and current Senior First Aid and CPR.

Equipment

Cardio

- TREADMILL
- EXERCISE BIKE
- ROWER
- ELLIPTICAL
- SEATED BIKE

Weights

- SMITH MACHINE
- LEG PRESS
- MULTI PRESS MACHINE
- LAT PULL DOWN
- CABLE MACHINE
- 1 KG TO 50 KG DUMBBELLS
- CURL BAR
- LEG CURL & EXTENSION MACHINE

Fees

MONTHLY

High School Student
\$37.00
Pensioner
\$37.00
Adult
\$48.00
Family (2 adults, 2 high school students)
\$92.00

\$ MONTHLY

High School Student
\$185.00
Pensioner
\$185.00
Adult
\$240.00
Family (2 adults, 2 high school students)
\$460.00

PERSONAL TRAINER

Weekly hire
\$100.00
Fitness classes/per hour
\$10.00

ENTRY FOB CHARGE

Non-refundable fob Deposit / Replacement fob
\$20.00

Note: These Fees are 18/20 fees and are reviewed annually.

In 2018-2019, both facilities were holding steady with 50+ members each at any given time. We also had the introduction of Shandie Irwin who has her Certificate III in Fitness and started holding exercise classes at the Warialda Fitness Centre.

The Warialda Fitness Centre also underwent some minor renovations with the carpet in the cardio area being ripped up and the floorboards being polished. This gave the gym a much-needed fresh look and eliminated the musty smell that was coming from the carpet.

The Bingara Fitness Centre was lucky enough to receive a Pilate's machine donated by one of our local residents.

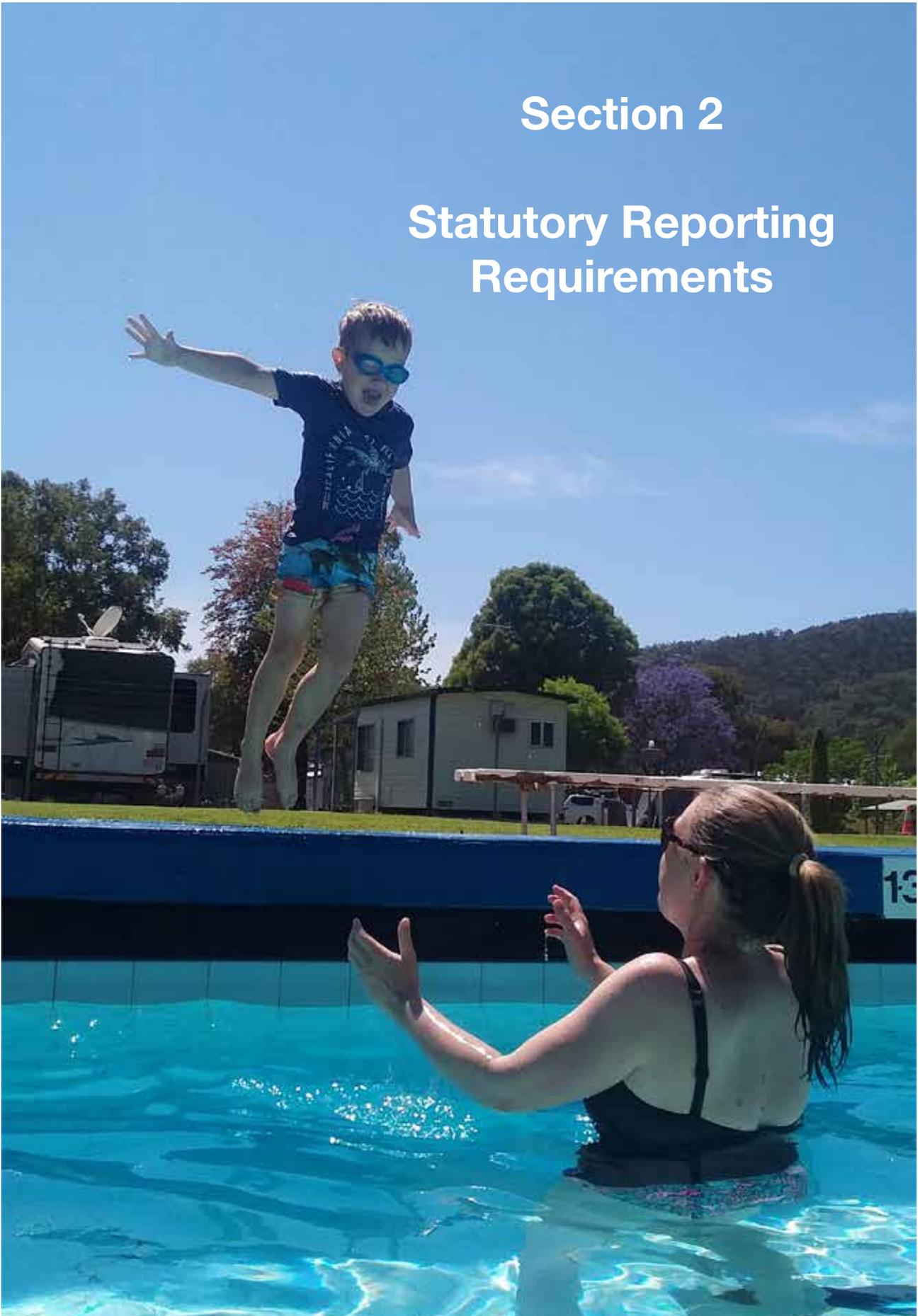
The Friends of the Bingara Fitness Centre were also successful in obtaining funding via the Stronger Country Communities Grant round two. This saw the installation of two new reverse cycle air-conditioning units installed. The upgrade of the bathroom facilities to include a shower, for both Club members and gym members will begin mid-September 2019.



Both facilities are due to see some new equipment in 2020, with a few items now coming due for replacement. This equipment is on order and due to arrive first week in October 2019.

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

Pension Rebate Breakdown 2018/2019

Pension Rebate - 2018/2019

Rate Classification	Rebate Given	Govt	Council	Total (\$)
General Rates	Pensioner Farmland	\$ 7,537.29	\$ 6,166.91	\$ 13,704.20
	Pensioner General	\$ 41,570.36	\$ 34,012.66	\$ 75,583.02
		\$ 49,107.65	\$ 40,179.57	
Water & Sewer Rates	Pensioner Water	\$ 23,807.37	\$ 19,483.26	\$ 43,290.63
	Pensioner Sewerage	\$ 20,475.06	\$ 16,756.19	\$ 37,231.25
Waste Charges	Pensioner Domestic Waste & Disposal	\$ 21,759.09	\$ 17,802.89	\$ 39,561.98
	Pensioner Waste Management	\$ 14,148.40	\$ 11,575.39	\$ 25,723.79
		\$ 35,907.49	\$ 29,378.28	
	Rebate Total Claim - 123	\$ 129,297.57	\$ 105,797.30	\$ 235,094.87
			\$ 105,797.30	

Rate or Charge	Small Balance Write Off
Sundry Debtor - Preschool	\$815.00
Sundry Debtor - Low Income Housing	\$907.00
Sundry Debtor - Environmental Compliance	\$53.00
Total	\$1,775.00

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 2018-2019 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 which cost \$1,292.53.

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 2018-2019 year for Councillor skills development was \$54692.94. A break up of these costs is provided in the table below:

Details	Amount
Conferences and Seminars	\$12,840.20
Training	\$10,956.60
Travel and Accommodation (Training)	\$1,035.82
Expenses aligned to spouse attendance	\$0.00
Travel and Accommodation (Conferences and Seminars)	\$15,433.28
Travel Allowance	\$11,001.84
Overnight Travel Expenses	\$3,425.20
	\$54,692.44

List of interstate visits and number attending

There were only two interstate visits made by Councillors in the 2018-2019 year details are included in the table below:

State	Purpose	No Attending
NT	National Local Roads and Transport Congress	4
ACT	National General Assembly of Local Government	5

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 carer duties relating to a Councillor during this period.

Details of contracts awarded by Council

Gwydir Shire Council awarded five (5) contracts exceeding \$150,000 during 2018-2019.

Total value of contracts exceeding \$150,000 during this reporting period is in excess of \$3,241,644.05

Name of Contractor	Nature of goods or services provided	Total amount payable under the contract \$
Western Star Trucks Australia	RFT Bonneted Rigid Tipper Truck	\$279,415.00
Westrac Pty Ltd	Motor Grader with 130kw engine	\$411,000.00
Fulton Hogan	GSC Bitumen spray sealing services	\$539,452.51
Waeger Construction Pty Ltd	Design and construction of a 48m bridge	\$1,046,312.54
Lachlan Hall Construction	Construction of concrete components of truck wash facility	Not yet completed
BMR Quarries Pty Ltd T/as Roadwork Industries	GSC Asphalt laying services	Not yet completed
ORIGIN	Small Sites Electricity	\$397,306.00
ERM	Large Sites Electricity	\$184,607.00
Cleanaway	Waste collection and processing	\$383,551.00

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

There was one legal action against Council during the 2018-2019 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 2018-2019 are \$5,821.24 including GST.

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

Building Maintenance	1
Concrete Footing	1
Footpath Repairs	8
Grading Access Road	10
Hire of Staff	1
Light Upgrade	1
NA	1
Plant Hire	20
PW for RFS	1
PW for School	1
Refurbish Street Furniture	1
Repair to Hire Plant	2
Reseal Driveway	3
Sale of Emulsion	1
Sale of Gravel	2
Sale of Mulch	1
Sale of Signs	3
Supply of Traffic Control	1
Water Delivery	244
The total cost of private works was	\$20,040.50

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 \$99,726 donated under Section 356. The table below includes information on the donations granted:

2018/2019 Donation	Amount
All junior and school sports plus community groups – Waiving of all hire fees	\$5,000
Anglican Church North Star – Water and Waste Charges	\$763
Bingara Bullets Rugby League Club – Use of Gwydir oval and lights for training	\$800
Bingara Radiance Club – Rates and Other Charges Subsidy	\$2,289
Catholic Church, Presbyterian Church, St Joesph's Primary School and Convent – Water, Sewerage and Waste Charges	\$11,118
CWA North Star – Rates and Other Charges Subsidy	\$1,363
CWA Warialda – Rates and Other Charges Subsidy	\$2,834
Gravesend Showground – Waste Charges	\$156
Gwydir Rugby Club – Use of Gwydir Oval and lights for training	\$800
Presbyterian Church Warialda – Water, Sewerage and Waste Charges	\$1,630
Salvation Army Bingara – Water, Sewerage and Waste Charges	\$1,472
Scots Presbyterian Church Bingara – Water, Sewerage and Waste Charges	\$1,199
St Johns Anglican Church Bingara – Water, Sewerage and Waste Charges	\$2,943
St Mary's Catholic Church Bingara – Water, Sewerage and Waste Charges	\$4,360
St Simon and Judes Anglican Church Warialda – Water, Sewerage and Waste Charges	\$2,126
Uniting Church Bingara – Water, Sewerage and Waste Charges	\$1,254
Unleash the Black Dog Ball – Waive hire fees of Roxy Theatre and Kitchen Facilities	\$800
Bingara Central School – Partial waiving of Water Charges	\$4,360
Community group activities requiring a Development Application – Waiving Fees	\$1,000
Warialda P & A Association – Rates, Water, Sewerage and Waste Charges	\$7,685
Warialda Pre School – Rates and Other Charges Subsidy	\$2,180
Warialda Rail Recreation Reserve – Waste Charges	\$540

Donations Under \$1,000

Bingara Central School book academic prizes	\$709
Upper Horton Rodeo and Campdraft	\$545
Warialda High School book academic prizes	\$518
Bingara Sporting Club Awards	\$382
Warialda Public School book academic prizes	\$327
St Joseph's Primary School book academic prizes	\$327
Gravesend Public School book academic prizes	\$327
North Star Public School book academic prizes	\$327
Croppa Creek Public School book academic prizes	\$327
Unallocated	\$9,456

Donations Over \$1,000

Barraba PA & H Association – Annual Donation	\$1,635
Warialda P & A Association – Annual Donation	\$1,635
Bingara Show Society – Annual Donation	\$1,635
Bingara Orange Festival – Annual Sponsorship	\$5,450
Gwydir Art Prize (Subject to being held) – Annual Sponsorship	\$2,725
Warialda Honey Festival – Annual Sponsorship	\$5,450
Friendly Faces Helping Hands Foundation – Donation	\$1,090
Warialda Historical Society – Who, When, Where Cemetary Project – 5 year project – Year 1	\$6,540
Warialda Rotary – Australia Day Celebrations – Warialda	\$1,199
Bingara Medical Centre – ECG Machine	\$3,270
Warialda Motor Sports Club – Warialda Off Road Event	\$2,180



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 2018.

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:

- Local Government Border River Project
- Fossickers' Way Promotion Committee
- Traffic Committee
- Regional Tourism Committee
- Bush Fire Liaison (Service Level Agreement) Committee
- Border Regional Organisations of Councils
- Copeton Dam Trust
- Arts North West
- B Division of the Shires Association
- Namoi Joint Organisation

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

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:

StateCover Mutual – a co-operative body providing workers' compensation insurance coverage for Council staff

Statewide Mutual – a co-operative body providing liability and property insurance services to Council

Central Northern Regional Library and Information Service -a jointly funded relationship with a number of councils to provide library services throughout the region

Namoi JO - A Regional Organisation of Councils providing a forum for councils to consider matters of common interest

Border ROC – A Regional Organisation of eight councils giving strategic direction to the region

The Fossickers Way Committee - Providing tourism support and coordinated services to the region

The Copeton Dam Trust - Administering the operations of the dam and its facilities

B Division of the Shires Association of NSW - providing a forum for councils to consider significant regional and state matters affecting local government and their communities

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	293,876
Superannuation	27,918
Non Cash Benefits	27,600
FBT	0
Total Package	349,394

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 2018-2019 financial year was \$39,342. The budgeted expenditure was \$146,022 for Maintenance and Capital Works. The maintenance activities included routine repairs, cleaning of gross pollutant traps and removal of debris from grates and inlets. The Capital Works expenditure exceeded \$100,000 which included the first stage of a multi-staged stormwater upgrade focused around Brainard and Springs St Bingara.

Coastal Protection Services Provided

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

Report on Capital Works Projects

See Section 1 for full outline of projects.

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 2018-2019 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 in July 2019. A brief summary of the pound data collections for the year is presented in the table below.

ACTIVITY	CATS	DOGS
Total Animals Seized	31	23
Returned to owner	2	5
Impounded	29	18
Surrendered	0	2
Released to Owners	1	1
Rehomed	0	11
Euthanised unsuitable for rehoming	0	3
Euthanised unable to rehomed	2	5
Euthanised feral	26	0

Nuisance Orders

Three dogs residing at the same property were put on a 6-month nuisance order for barking issues.

Menacing Dog Declarations

Two dogs residing at the same property remain on a menacing dog declarations from previous year for an attack.

One dog residing at another property remain on a menacing dog declaration from previous years for an attack.

Dangerous Dog Declaration

One dog remains on a dangerous dog declaration from the previous year for an attack.

Registrations

	ID Microchip Only	Registered	Total
cat	282	155	437
dog	2786	1556	4342
Total:	3068	1711	4779

The top ten registered breeds in The Shire

Breed	Registered
Australian Kelpie	297
Jack Russell Terrier	251
Labrador Retriever	146
Australian Cattle Dog (Blue)	119
Border Collie	101
Unknown	92
Maltese	88
Chihuahua (Smooth)	83
Cocker Spaniel	73

54 Dogs and Cats were registered in the period for a total of \$2,352.00.



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 2018-2019 there were 5 incidents involving 9 dogs reported to Council which were investigated and reported on the Companion Animals Database.

Funds spent on Companion Animal management and activities

Funding spent by Council in 2018-2019 totalled \$140,016

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.

Educational activities

The Strategic Companion Animal Management Plan (SCAMP) contains objectives for undertaking companion animal awareness and educational activities. This year saw an increasing use of social media for a range of Companion Animal Management Activities including education, reuniting lost pets and rehoming pets. The free microchipping strategy



uses this face to face contact to educate people on their roles and responsibilities as a pet owner. The Shire also produces a range of factsheets for companion animal owners which are distributed physically and information is available online at Council's website.

Strategies to promote the de-sexing and permanent Identification of companion animals

It is recognised that the de-sexing of cats and dogs helps to reduce nuisance behaviours such as roaming, aggression and the production of unwanted litters. We promote de-sexing to our customers highlighting these advantages both socially and financially.

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. Partnerships have been developed across the State with rehoming organisations and companion animals that are not rehomed locally are picked up by these organisations and taken to larger population centres for rehoming. A total of eight dogs have been euthanized as they were unable and unsuitable to be rehomed. All the euthanized 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 2018-2019 period, Council received two requests under the Government Information (Public Access) Act, 2009. Both were dealt with in the period required.

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.

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 celebrated Carers week by taking all the carers to a luncheon at the local "Okiedokie" Café in Warialda.



Naroo Frail Aged Care facility recognises 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 has commenced on implementation of Dementia Friendly communities within the shire and the first step is organising a dementia alliance group which is made up of people in the community who are interested in helping to make their community or town more dementia-friendly. It is essential that the alliance includes people with dementia alongside the carers and family members of people with dementia

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 will be incorporated with gym equipment and playground equipment so 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.

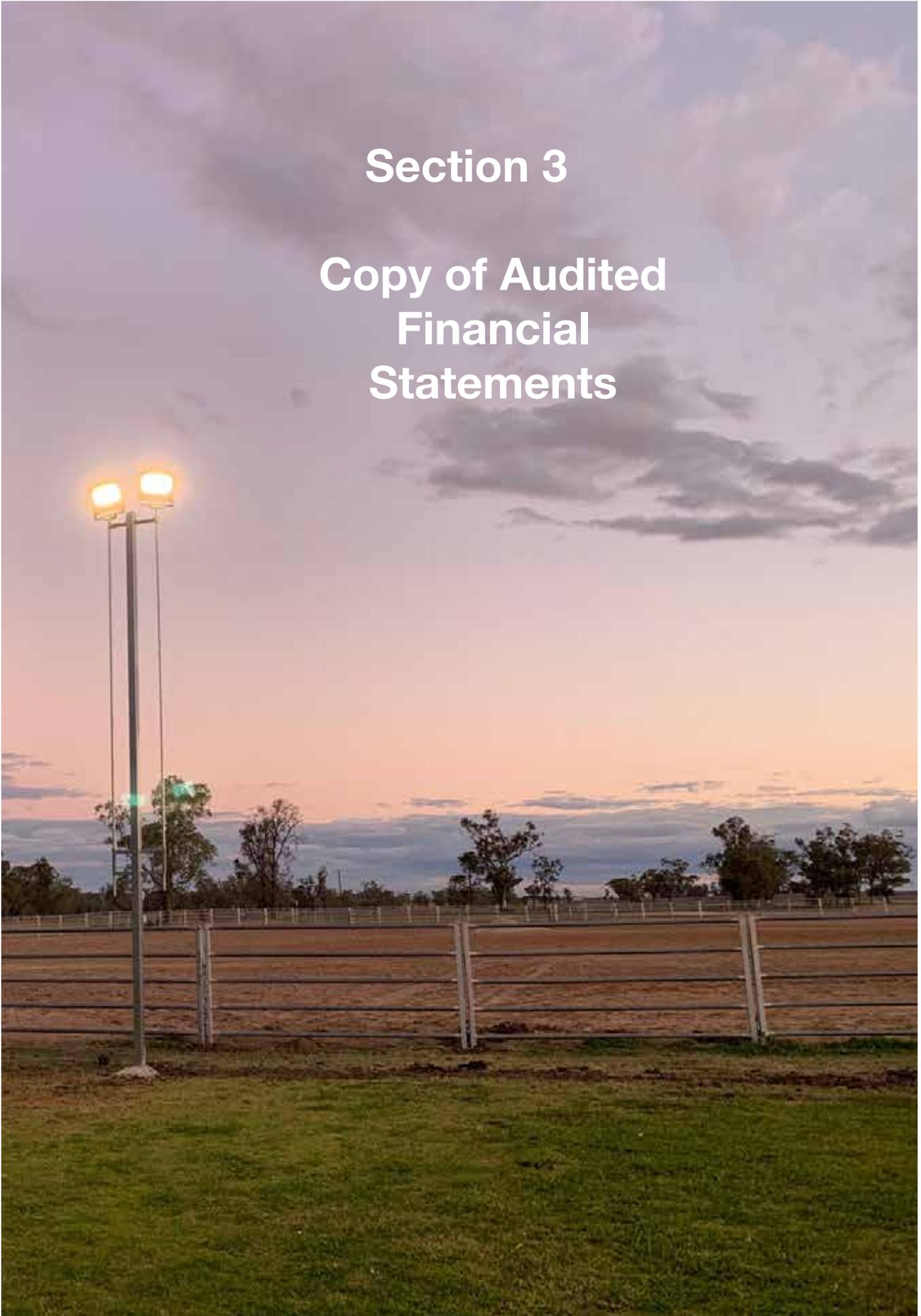
Fisheries Management Act 1994

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

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2019

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



Gwydir Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2019

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



General Purpose Financial Statements

for the year ended 30 June 2019

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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 2019

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

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

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

Gwydir Shire Council

General Purpose Financial Statements for the year ended 30 June 2019

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

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

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

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

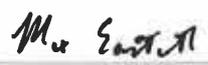
- present fairly the Council's operating result and financial position for the year
- accord with Council's accounting and other records.

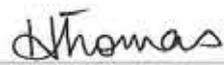
We are not aware of any matter that would render these statements false or misleading in any way.

Signed in accordance with a resolution of Council made on 26 September 2019.


Cr Catherine Egan
Deputy Mayor
26 September 2019


Cr David Coulton
Councillor
26 September 2019


Max Eastcott
General Manager
26 September 2019


Helen Thomas
Responsible Accounting Officer
26 September 2019

Income Statement

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018 ¹
Income from continuing operations				
Revenue:				
10,479	Rates and annual charges	3a	10,314	10,128
3,201	User charges and fees	3b	3,491	3,376
101	Interest and investment revenue	3c	263	216
2,977	Other revenues	3d	4,170	3,739
13,042	Grants and contributions provided for operating purposes	3e,3f	9,709	9,333
4,545	Grants and contributions provided for capital purposes	3e,3f	5,114	2,738
34,345	Total income from continuing operations		33,061	29,530
Expenses from continuing operations				
12,515	Employee benefits and on-costs	4a	12,078	11,606
516	Borrowing costs	4b	615	519
6,790	Materials and contracts	4c	6,102	5,261
6,411	Depreciation and amortisation	4d	8,265	7,185
2,779	Other expenses	4e	2,050	2,191
50	Net losses from the disposal of assets	5	120	3,140
–	Revaluation decrement / impairment of IPP&E	4d	–	6,021
29,061	Total expenses from continuing operations		29,230	35,923
5,284	Operating result from continuing operations		3,831	(6,393)
5,284	Net operating result for the year		3,831	(6,393)
5,284	Net operating result attributable to council		3,831	(6,393)
739	Net operating result for the year before grants and contributions provided for capital purposes		(1,283)	(9,131)

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

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

Statement of Comprehensive Income

for the year ended 30 June 2019

\$ '000	Notes	2019	2018 ¹
Net operating result for the year (as per Income Statement)		3,831	(6,393)
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	9	342	(8,474)
Total items which will not be reclassified subsequently to the operating result		342	(8,474)
Total other comprehensive income for the year		342	(8,474)
Total comprehensive income for the year		4,173	(14,867)
Total comprehensive income attributable to Council		4,173	(14,867)

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

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

Statement of Financial Position

as at 30 June 2019

\$ '000	Notes	2019	2018 ¹
ASSETS			
Current assets			
Cash and cash equivalent assets	6(a)	3,787	3,485
Investments	6(b)	8,606	5,842
Receivables	7	1,894	2,374
Inventories	8a	804	220
Other	8b	–	3
Total current assets		<u>15,091</u>	<u>11,924</u>
Non-current assets			
Infrastructure, property, plant and equipment	9	410,006	405,441
Total non-current assets		<u>410,006</u>	<u>405,441</u>
TOTAL ASSETS		<u>425,097</u>	<u>417,365</u>
LIABILITIES			
Current liabilities			
Payables	10	3,415	2,543
Income received in advance	10	163	164
Borrowings	10	1,274	991
Provisions	11	2,725	2,698
Total current liabilities		<u>7,577</u>	<u>6,396</u>
Non-current liabilities			
Borrowings	10	8,266	7,686
Provisions	11	3,842	2,044
Total non-current liabilities		<u>12,108</u>	<u>9,730</u>
TOTAL LIABILITIES		<u>19,685</u>	<u>16,126</u>
Net assets		<u>405,412</u>	<u>401,239</u>
EQUITY			
Accumulated surplus	12	277,731	273,900
Revaluation reserves	12	127,681	127,339
Council equity interest		<u>405,412</u>	<u>401,239</u>
Total equity		<u>405,412</u>	<u>401,239</u>

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

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

Statement of Changes in Equity for the year ended 30 June 2019

\$ '000	Notes	2019			2018 ¹		
		Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus	IPP&E revaluation reserve	Total equity
Opening balance		273,900	127,339	401,239	280,293	135,813	416,106
Net operating result for the year		3,831	–	3,831	(6,393)	–	(6,393)
Other comprehensive income							
– Gain (loss) on revaluation of IPP&E	9	–	342	342	–	(8,474)	(8,474)
Other comprehensive income		–	342	342	–	(8,474)	(8,474)
Total comprehensive income		<u>3,831</u>	<u>342</u>	<u>4,173</u>	<u>(6,393)</u>	<u>(8,474)</u>	<u>(14,867)</u>
Equity – balance at end of the reporting period		<u>277,731</u>	<u>127,681</u>	<u>405,412</u>	<u>273,900</u>	<u>127,339</u>	<u>401,239</u>

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

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

Statement of Cash Flows

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018
Cash flows from operating activities				
<u>Receipts</u>				
10,609	Rates and annual charges		10,315	9,985
3,350	User charges and fees		3,803	3,391
259	Investment and interest revenue received		280	236
13,217	Grants and contributions		15,678	11,257
–	Bonds, deposits and retention amounts received		–	2
2,129	Other		5,161	4,622
<u>Payments</u>				
(11,986)	Employee benefits and on-costs		(11,967)	(11,704)
(5,629)	Materials and contracts		(6,592)	(5,876)
(506)	Borrowing costs		(486)	(381)
–	Bonds, deposits and retention amounts refunded		(55)	–
(1,620)	Other		(2,751)	(2,737)
	Net cash provided (or used in) operating activities	13b	13,386	8,795
9,823				
Cash flows from investing activities				
<u>Receipts</u>				
–	Sale of investment securities		12,000	3,016
945	Sale of infrastructure, property, plant and equipment		263	535
<u>Payments</u>				
–	Purchase of investment securities		(14,764)	(5,842)
(10,372)	Purchase of infrastructure, property, plant and equipment		(11,219)	(8,209)
–	Purchase of real estate assets		(179)	–
(9,427)	Net cash provided (or used in) investing activities		(13,899)	(10,500)
Cash flows from financing activities				
<u>Receipts</u>				
–	Proceeds from borrowings and advances		2,023	–
<u>Payments</u>				
(1,002)	Repayment of borrowings and advances		(1,208)	(1,327)
(1,002)	Net cash flow provided (used in) financing activities		815	(1,327)
(606)	Net increase/(decrease) in cash and cash equivalents		302	(3,032)
4,300	Plus: cash and cash equivalents – beginning of year	13a	3,485	6,517
3,694	Cash and cash equivalents – end of the year	13a	3,787	3,485
Additional Information:				
8,500	plus: Investments on hand – end of year	6(b)	8,606	5,842
12,194	Total cash, cash equivalents and investments		12,393	9,327

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

Notes to the Financial Statements

for the year ended 30 June 2019

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

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 21 October 2019. Council has the power to amend and reissue these 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.

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

- Income statement
- Statement of cash flows
- Note 17 – Material budget variations

and are clearly marked.

(a) New and amended standards adopted by Council

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

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement from 1 July 2018.

Classification and Measurement of financial assets

There is no impact to the financial statements other than a the change in classification name to amortised cost.

Impairment of financial assets

Council has reviewed its receivables which has resulted in an increase in the impairment provision. The transactions which relate to the increase mainly occurred in the 2019 financial year. The majority of receivables are rates and charges and amounts due from government for grant programs. Rates and charges are secured against the property and there no adjustment is required to the impairment provision for rates.

(b) Historical cost convention

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

(c) Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

Note 1. Basis of preparation (continued)

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

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note 9
- (ii) estimated tip remediation provisions – refer Note 11
- (iii) employee benefit provisions – refer Note 11.

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 7.

Monies and other assets received by Council

(a) The Consolidated Fund

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

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

- General purpose operations
- Water service
- Sewerage service
- 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.

New accounting standards and interpretations issued not yet effective

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

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

AASB 16 Leases

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

Note 1. Basis of preparation (continued)

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

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

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

Council has an agreement for the rental of multi function printers/copiers. The agreement does not individually list the rental cost for each item of equipment however, the suppliers have provided the outright purchase prices for the printers/copiers. These are considered to be low value assets and therefore will be exempt from the requirements and as such council will not record a lease liability.

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

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

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

Councils has assessed each revenue stream particularly the impact for grant income and rates which are paid before the commencement of the rating period.

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

AASB 15 will have no impact on rates and charges paid in advance as council has always accounted for these as a liability. There may be a very minor impact in relation to grants as council is currently auspicing several Stronger Country Communities grants where the good/services will not be retained by council, unspent grants as at 30 June total \$56,809.

AASB 1058 Income of NFP Entities

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

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

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

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

- (a) contributions by owners
- (b) revenue, or a contract liability arising from a contract with a customer
- (c) a lease liability
- (d) a financial instrument, or
- (e) a provision.

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

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

Note 1. Basis of preparation (continued)

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

The majority of capital grants are paid in arrears based on actual expenditure and therefore council will have met all obligations prior to receiving the grant payment. There were however a number of grants, totalling \$302,815, under the Stronger Country Communities program and \$353,377 for the upgrade of the kitchen at Naroo which were unspent as at 30 June 2019 and under the terms of the funding agreement would be shown as a liability and the income taken up when the works have been completed.

Council considers there could be similar grants that would be deferred as at 30 June 2020 but at the time of completing the 2019 financial statements, Council is unable to estimate the dollar impact as at 1 July 2019.

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

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

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

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

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

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

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

\$ '000	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Total assets held (current and non-current)	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Functions or activities										
Social	4,218	3,267	4,580	4,531	(362)	(1,264)	1,942	1,777	13,945	14,093
Economic	9,790	8,153	10,223	9,154	(433)	(1,001)	3,048	3,623	340,664	343,000
Environment	2,946	2,873	2,648	2,652	298	221	185	76	20,212	16,147
Civic Leadership	667	557	1,536	1,367	(869)	(810)	–	–	3,941	4,078
Governance	15,440	14,680	10,243	18,219	5,197	(3,539)	6,807	4,352	46,335	40,047
Total functions and activities	33,061	29,530	29,230	35,923	3,831	(6,393)	11,982	9,828	425,097	417,365

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

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

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

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 2019

Note 3. Income from continuing operations

\$ '000	2019	2018
(a) Rates and annual charges		
Ordinary rates		
Residential	1,227	1,200
Farmland	6,256	6,134
Business	215	210
Less: pensioner rebates (mandatory)	(89)	(88)
Rates levied to ratepayers	7,609	7,456
Pensioner rate subsidies received	48	48
Total ordinary rates	7,657	7,504
Annual charges		
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>		
Domestic waste management services	652	692
Stormwater management services	36	36
Water supply services	686	686
Sewerage services	626	624
Waste management services (non-domestic)	727	653
Less: pensioner rebates (mandatory)	(151)	(148)
Annual charges levied	2,576	2,543
Pensioner subsidies received:		
– Water	24	24
– Sewerage	20	20
– Domestic waste management	37	37
Total annual charges	2,657	2,624
TOTAL RATES AND ANNUAL CHARGES	10,314	10,128

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 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(b) User charges and fees		
Specific user charges		
<small>(per s.502 - specific 'actual use' charges)</small>		
Water supply services	666	774
Sewerage services	69	65
Total specific user charges	735	839
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Inspection services	13	3
Planning and building regulation	61	77
Private works – section 67	161	269
Registration fees	8	19
Section 603 certificates	9	11
Total fees and charges – statutory/regulatory	252	379
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Caravan park	376	362
Cemeteries	35	41
Child care	3	4
RMS (formerly RTA) charges (state roads not controlled by Council)	1,698	1,429
Tourism	5	6
Gwydir learning region	30	26
Home and community care / community transport	119	66
Pre-school services	107	46
Roxy theatre	46	56
Community fitness	34	30
Other	51	92
Total fees and charges – other	2,504	2,158
TOTAL USER CHARGES AND FEES	3,491	3,376

Accounting policy for user charges and fees

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(c) Interest and investment revenue (including losses)		
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	23	22
– Cash and investments	76	78
Distribution income relating to investments held at fair value through other comprehensive income	164	116
<u>TOTAL INTEREST AND INVESTMENT REVENUE</u>	<u>263</u>	<u>216</u>
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	14	13
General Council cash and investments	75	51
Restricted investments/funds – external:		
Development contributions		
– Section 7.11	6	–
Water fund operations	17	18
Sewerage fund operations	80	77
Domestic waste management operations	71	57
Total interest and investment revenue	<u>263</u>	<u>216</u>

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 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(d) Other revenues		
Rental income – other council properties	247	244
Fines – other	8	5
Legal fees recovery – rates and charges (extra charges)	7	9
Commissions and agency fees	115	94
Diesel rebate	94	76
Insurance claims recoveries	16	16
Sales – general	54	45
Emergency services reimbursements	118	88
Employee related	89	74
Festivals	13	8
Medical centres	6	–
Naroo	2,438	2,442
Sewer operations	1	12
Tourism	53	35
Waste management revenues	16	95
Water supplies	33	4
Insurance Incentives	55	63
Companion Animals Reimbursement	6	52
Workers Compensation Premium Adjustment	–	129
Other – governance	3	25
Container Deposit reimbursement	45	–
Namoi Joint Organisation reimbursement	239	153
Crown Land Assets Reconciliation	373	–
Other	141	70
TOTAL OTHER REVENUE	4,170	3,739

Accounting policy for other revenue

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

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(e) Grants				
General purpose (untied)				
Current year allocation				
Financial assistance	2,335	2,124	–	–
Payment in advance - future year allocation				
Financial assistance	2,421	2,207	–	–
Total general purpose	4,756	4,331	–	–
Specific purpose				
Aged care	–	–	361	42
Child care	30	27	–	–
Community care	288	306	–	–
Community centres	14	14	–	–
Economic development	–	30	–	–
Employment and training programs	32	21	–	–
Library	45	47	–	–
Library – per capita	–	–	–	200
Noxious weeds	69	100	–	–
NSW rural fire services	175	173	–	–
Recreation and culture	–	66	566	34
Street lighting	20	20	–	–
Transport (other roads and bridges funding)	–	–	2,881	1,625
Family first – DOCS	102	100	–	–
Preschool	261	274	–	–
Tharawonga operational	328	295	–	–
Transport (3x3, flood works, roads to recovery)	890	1,794	–	–
Innovation	–	110	–	–
Drought Communities	305	–	433	–
Stronger Country Communities	315	–	–	219
Crown Lands	76	–	–	–
Other	35	–	–	–
Total specific purpose	2,985	3,377	4,241	2,120
Total grants	7,741	7,708	4,241	2,120
Grant revenue is attributable to:				
– Commonwealth funding	6,506	6,641	2,256	801
– State funding	1,235	1,060	1,985	1,319
– Other funding	–	7	–	–
	7,741	7,708	4,241	2,120

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(f) Contributions					
Developer contributions:					
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.11 – contributions towards amenities/services		–	–	238	256
Total developer contributions – cash		–	–	238	256
Total developer contributions	20	–	–	238	256
Other contributions:					
Cash contributions					
Recreation and culture		6	–	10	27
Roads and bridges		–	–	15	–
RMS contributions (regional roads, block grant)		1,924	1,606	592	292
Sewerage (excl. section 64 contributions)		–	–	2	–
Other		38	19	16	–
Self help roadwork contributions		–	–	–	9
Total other contributions – cash		1,968	1,625	635	328
Non-cash contributions					
Community services		–	–	–	34
Total other contributions – non-cash		–	–	–	34
Total other contributions		1,968	1,625	635	362
Total contributions		1,968	1,625	873	618
TOTAL GRANTS AND CONTRIBUTIONS		9,709	9,333	5,114	2,738

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(g).

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(g) Unspent grants and contributions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:		
Operating grants		
Unexpended at the close of the previous reporting period	229	227
Add: operating grants recognised in the current period but not yet spent	252	143
Less: operating grants recognised in a previous reporting period now spent	(91)	(141)
Unexpended and held as restricted assets (operating grants)	390	229
Capital grants		
Unexpended at the close of the previous reporting period	237	–
Add: capital grants recognised in the current period but not yet spent	656	237
Less: capital grants recognised in a previous reporting period now spent	(37)	–
Unexpended and held as restricted assets (capital grants)	856	237
Contributions		
Unexpended at the close of the previous reporting period	256	–
Add: contributions recognised in the current period but not yet spent	6	256
Unexpended and held as restricted assets (contributions)	262	256

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations

\$ '000	2019	2018
(a) Employee benefits and on-costs		
Salaries and wages	9,458	9,501
Travel expenses	184	223
Employee leave entitlements (ELE)	1,960	1,723
Superannuation	1,184	1,216
Workers' compensation insurance	529	371
Fringe benefit tax (FBT)	29	29
Training costs (other than salaries and wages)	248	195
Protective clothing	40	27
Other	30	28
Total employee costs	13,662	13,313
Less: capitalised costs	(1,584)	(1,707)
TOTAL EMPLOYEE COSTS EXPENSED	12,078	11,606

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	2019	2018
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on loans		485	381
Total interest bearing liability costs expended		485	381
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	11	81	82
Amortisation of discounts and premiums: – unwinding discount on reduced interest loan		49	56
Total other borrowing costs		130	138
TOTAL BORROWING COSTS EXPENSED		615	519

Accounting policy for borrowing costs

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
(c) Materials and contracts		
Raw materials and consumables	11,245	9,166
Contractor and consultancy costs		
– Consultants	345	163
– Domestic waste management contract	99	94
– Health services	12	2
– Pools	122	111
– Road infrastructure contractors	997	630
– Other	2,818	1,502
Auditors remuneration ²	73	73
Legal expenses:		
– Legal expenses: debt recovery	18	12
– Legal expenses: other	10	45
Total materials and contracts	15,739	11,798
Less: capitalised costs	(9,637)	(6,537)
TOTAL MATERIALS AND CONTRACTS	6,102	5,261

Accounting policy for operating leases

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

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	69	69
Remuneration for audit and other assurance services	69	69

Total Auditor-General remuneration

69	69
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Non NSW Auditor-General audit firms

(i) Audit and other assurance services

Audit and review of financial statements	4	4
Remuneration for audit and other assurance services	4	4

Total remuneration of non NSW Auditor-General audit firms

4	4
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Total Auditor remuneration

73	73
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Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	2019	2018
(d) Depreciation, amortisation and impairment of intangible assets and IPP&E			
Depreciation and amortisation			
Plant and equipment		935	918
Office equipment		69	57
Furniture and fittings		50	51
Infrastructure:			
– Buildings – non-specialised		888	545
– Buildings – specialised		754	460
– Other structures		296	317
– Roads		4,380	3,959
– Bridges		11	12
– Footpaths		20	19
– Stormwater drainage		35	46
– Water supply network		385	303
– Sewerage network		187	194
– Swimming pools		113	154
Other assets:			
– Other		9	9
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	9,11	103	103
– Quarry assets	9,11	30	38
Total gross depreciation and amortisation costs		8,265	7,185
Total depreciation and amortisation costs		8,265	7,185
Impairment / revaluation decrement of IPP&E			
Infrastructure:			
– Buildings – non-specialised		–	1,986
– Sewerage network		–	4,035
Total gross IPP&E impairment / revaluation decrement costs / (reversals)		–	6,021
Total IPP&E impairment / revaluation decrement costs / (reversals) charged to Income Statement		–	6,021
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT FOR INTANGIBLES AND IPP&E		8,265	13,206

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

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

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

\$ '000	2019	2018
(e) Other expenses		
Advertising	31	52
Bad and doubtful debts	117	19
Bank charges	39	44
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	345	277
Councillor expenses – mayoral fee	27	27
Councillor expenses – councillors' fees	113	110
Donations, contributions and assistance to other organisations (Section 356)	121	122
Electricity and heating	576	589
Insurance	542	503
Street lighting	78	79
Subscriptions and publications	157	143
Telephone and communications	204	194
Valuation fees	32	31
Reinstatement of Provision	(332)	–
Other	–	1
Total other expenses	2,050	2,191
TOTAL OTHER EXPENSES	2,050	2,191

Accounting policy for other expenses

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

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

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

\$ '000	Notes	2019	2018
Property (excl. investment property)			
Proceeds from disposal – property		81	319
Less: carrying amount of property assets sold/written off		(42)	(168)
Net gain/(loss) on disposal		39	151
Plant and equipment			
	9		
Proceeds from disposal – plant and equipment		159	216
Less: carrying amount of plant and equipment assets sold/written off		(255)	(236)
Net gain/(loss) on disposal		(96)	(20)
Infrastructure			
	9		
Proceeds from disposal – infrastructure		23	–
Less: carrying amount of infrastructure assets sold/written off		(86)	(3,271)
Net gain/(loss) on disposal		(63)	(3,271)
Investments			
	6(b)		
Proceeds from disposal/redemptions/maturities – investments		12,000	3,016
Less: carrying amount of investments sold/redeemed/matured		(12,000)	(3,016)
Net gain/(loss) on disposal		–	–
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(120)	(3,140)

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.

Note 6(a). Cash and cash equivalent assets

\$ '000	2019	2018
Cash and cash equivalents		
Cash on hand and at bank	523	226
Cash-equivalent assets		
– Deposits at call	264	259
– Short-term deposits	3,000	3,000
Total cash and cash equivalents	3,787	3,485

Accounting policy for cash and cash equivalents

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

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

Note 6(b). Investments

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Investments				
'Financial assets at fair value through other comprehensive income' / 'available for sale financial assets' (2018)	8,606	–	5,842	–
Total Investments	8,606	–	5,842	–
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	12,393	–	9,327	–

Financial assets designated as at fair value through other comprehensive income

At 1 July 2018, Council designated the investments shown below as financial assets as at fair value through other comprehensive income because these financial assets represent investments that the Council intends to hold for the long-term for strategic purposes. In 2018, these investments were classified as available for sale.

Total	–	–
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No strategic investments were disposed of during 2019, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

Accounting policy for investments

Accounting policy under AASB 9 – applicable from 1 July 2018

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 as

- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

Fair value through other comprehensive income – equity instruments

Council has a number of strategic investments in entities over which they do not have significant influence nor control. Council has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised as dividend income - other comprehensive income in the profit and loss.

Accounting policy under AASB 139 – applicable for 2018 comparatives only

Classification

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(b). Investments (continued)

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

(d) Available for sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term. Assets in this category are held at fair value with changes in fair value included as dividend income in the profit and loss..

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date: the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

Notes to the Financial Statements

for the year ended 30 June 2019

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

\$ '000	2019		2018	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	12,393	–	9,327	–
attributable to:				
External restrictions	7,438	–	6,103	–
Internal restrictions	4,906	–	3,137	–
Unrestricted	49	–	87	–
	12,393	–	9,327	–

\$ '000	2019	2018
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Details of restrictions

External restrictions – included in liabilities

Specific purpose unexpended loans – general	274	–
Aged care bonds	290	290

External restrictions – included in liabilities

	564	290
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External restrictions – other

Developer contributions – general	262	256
Specific purpose unexpended grants	1,246	466
Water supplies	560	417
Sewerage services	3,292	3,202
Domestic waste management	1,514	1,472

External restrictions – other

	6,874	5,813
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Total external restrictions

	7,438	6,103
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Internal restrictions

Infrastructure replacement	250	–
Employees leave entitlement	900	849
Deposits, retentions and bonds	44	99
Advance Payment Financial Assistance Grant	2,421	1,207
Other waste	1,291	982

Total internal restrictions

	4,906	3,137
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TOTAL RESTRICTIONS

	12,344	9,240
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Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Receivables

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Purpose				
Rates and annual charges	344	–	345	–
Interest and extra charges	50	–	63	–
User charges and fees	266	–	323	–
Accrued revenues				
– Interest on investments	2	–	6	–
– Other income accruals	134	–	116	–
Government grants and subsidies	434	–	1,038	–
Developer Contributions	244	–	–	–
Net GST receivable	203	–	134	–
Sundry trade debtors	246	–	332	–
Other debtors	95	–	24	–
Total	2,018	–	2,381	–
Less: provision for impairment				
User charges and fees	(5)	–	–	–
Sundry debtors	(119)	–	(7)	–
Total provision for impairment – receivables	(124)	–	(7)	–
TOTAL NET RECEIVABLES	1,894	–	2,374	–
Externally restricted receivables				
Water supply				
– Rates and availability charges	42	–	39	–
– Other	237	–	303	–
Sewerage services				
– Rates and availability charges	31	–	30	–
– Other	37	–	35	–
Developer Contributions	238	–	–	–
Total external restrictions	585	–	407	–
Unrestricted receivables	1,309	–	1,967	–
TOTAL NET RECEIVABLES	1,894	–	2,374	–

\$ '000	2019	2018
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 139)	7	7
+ new provisions recognised during the year	117	–
Balance at the end of the period	124	7

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.

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

Note 7. Receivables (continued)

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

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

Impairment

Accounting policy under AASB 9 applicable from 1 July 2018

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

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

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

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

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

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

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

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

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

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

Accounting policy under AASB 139 – applicable for 2018 comparatives only

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

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

Rates and annual charges outstanding are secured against the property.

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

Note 8. Inventories and other assets

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Inventories				
(i) Inventories at cost				
Real estate for resale	576	–	–	–
Stores and materials	228	–	220	–
Total inventories at cost	804	–	220	–
TOTAL INVENTORIES	804	–	220	–
(b) Other assets				
Prepayments	–	–	3	–
TOTAL OTHER ASSETS	–	–	3	–

(i) Other disclosures

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Details for real estate development				
Residential	576	–	–	–
Total real estate for resale	576	–	–	–
(Valued at the lower of cost and net realisable value)				
Represented by:				
Acquisition costs	397	–	–	–
Development costs	179	–	–	–
Total costs	576	–	–	–
Total real estate for resale	576	–	–	–
Movements:				
– Purchases and other costs	179	–	–	–
– Transfers in from (out to) Note 9	397	–	–	–
Total real estate for resale	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	2019	2018
Real estate for resale	451	–
	451	–

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

Note 8. 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 2019

Note 9. Infrastructure, property, plant and equipment

	as at 30/6/2018			Asset movements during the reporting period							as at 30/6/2019			
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Tfns from/(to) real estate assets (Note 8)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
\$ '000														
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)	–	–	–	–	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).

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

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

	as at 30/6/2017			Asset movements during the reporting period									as at 30/6/2018		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment losses / 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	1,912	–	1,912	2,221	–	–	–	–	(1,323)	–	–	–	2,810	–	2,810
Plant and equipment	16,151	(7,718)	8,433	–	912	(190)	(918)	–	–	(80)	–	–	16,478	(8,321)	8,157
Office equipment	1,124	(833)	291	–	99	(45)	(57)	–	–	–	–	–	801	(513)	288
Furniture and fittings	1,254	(460)	794	–	6	–	(51)	–	–	–	–	–	1,260	(511)	749
Land:															
– Operational land	5,279	–	5,279	–	–	(5)	–	–	–	–	(322)	–	4,952	–	4,952
– Community land	2,557	–	2,557	–	–	–	–	–	–	–	–	–	2,557	–	2,557
Infrastructure:															
– Buildings – non-specialised	31,346	(7,483)	23,863	221	–	(681)	(545)	(1,986)	–	–	(3,339)	–	41,090	(24,157)	17,533
– Buildings – specialised	30,176	(5,116)	25,060	137	–	–	(460)	–	–	(3,042)	(5,578)	–	34,268	(18,151)	16,117
– Other structures	4,817	(725)	4,092	187	–	–	(317)	–	45	350	–	–	5,618	(1,261)	4,357
– Roads	323,492	(41,238)	282,254	4,213	–	(2,754)	(3,959)	–	1,112	–	–	–	324,381	(43,515)	280,866
– Bridges	38,547	(381)	38,166	–	–	–	(12)	–	–	–	–	–	38,547	(393)	38,154
– Footpaths	3,188	(485)	2,703	–	2	–	(19)	–	–	–	–	–	3,190	(504)	2,686
– Stormwater drainage	3,755	(2,466)	1,289	41	–	–	(46)	–	–	–	–	549	3,860	(2,027)	1,833
– Water supply network	16,993	(5,284)	11,709	80	–	–	(303)	–	67	2,692	–	801	22,405	(7,359)	15,046
– Sewerage network	12,954	(3,435)	9,519	96	–	–	(194)	(4,035)	99	80	(585)	–	12,392	(7,412)	4,980
– Swimming pools	2,679	(47)	2,632	28	–	–	(154)	–	–	–	–	–	2,707	(201)	2,506
Other assets:															
– Other	183	(27)	156	–	–	–	(9)	–	–	–	–	–	184	(37)	147
Reinstatement, rehabilitation and restoration assets (refer Note 11):															
– Tip assets	1,462	–	1,462	–	–	–	(103)	–	–	–	–	–	1,462	(103)	1,359
– Quarry assets	398	(16)	382	–	–	–	(38)	–	–	–	–	–	397	(53)	344
Total Infrastructure, property, plant and equipment	498,267	(75,714)	422,553	7,224	1,019	(3,675)	(7,185)	(6,021)	–	–	(9,824)	1,350	519,959	(114,518)	405,441

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 9. 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	15 to 100
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	Bulk earthworks	infinite
Sealed roads: structure	20 to 100	Swimming pools	60
Unsealed roads	9 to 100	Other Assets	10 to 100
Bridge: concrete	100		
Bridge: other	100		
Road pavements	60		
Kerb and gutter	80		
Footpaths	80 to 117		

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.

Notes to the Financial Statements

for the year ended 30 June 2019

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

Crown reserves

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

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

Rural Fire Service assets

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

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 2019

Note 10. Payables and borrowings

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Payables				
Goods and services – operating expenditure	188	–	27	–
Accrued expenses:				
– Borrowings	68	–	69	–
– Salaries and wages	443	–	299	–
– Other expenditure accruals	162	–	36	–
Security bonds, deposits and retentions	44	–	99	–
Aged care deposits and bonds	2,415	–	1,934	–
Sundry	21	–	25	–
Other	74	–	54	–
Total payables	3,415	–	2,543	–
Income received in advance				
Payments received in advance	163	–	164	–
Total income received in advance	163	–	164	–
Borrowings				
Loans – secured ¹	1,274	8,266	991	7,686
Total borrowings	1,274	8,266	991	7,686
TOTAL PAYABLES AND BORROWINGS	4,852	8,266	3,698	7,686

⁽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	2019	2018
(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	1,615	1,234
Total payables and borrowings	1,615	1,234

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10. Payables and borrowings (continued)

(b) Changes in liabilities arising from financing activities

\$ '000	as at 30/6/2018		Non-cash acquisitions	Non-cash fair value changes	Other non-cash movements	as at 30/6/2019	
	Opening Balance	Cash flows				Closing balance	
Loans – secured	8,677	814	–	49	–	9,540	
TOTAL	8,677	814	–	49	–	9,540	

\$ '000	as at 30/6/2017		Non-cash acquisitions	Non-cash fair value changes	Other non-cash movements	as at 30/6/2018	
	Opening Balance	Cash flows				Closing balance	
Loans – secured	9,948	(1,327)	–	56	–	8,677	
TOTAL	9,948	(1,327)	–	56	–	8,677	

\$ '000	2019	2018
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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	30	36
Total drawn financing arrangements	30	36

Undrawn facilities as at balance date:

– Bank overdraft facilities	100	100
– Credit cards/purchase cards	70	64
Total undrawn financing arrangements	170	164

(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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10. Payables and borrowings (continued)

will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

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

Note 11. Provisions

\$ '000	2019		2018	
	Current	Non-current	Current	Non-current
Provisions				
Employee benefits				
Annual leave	1,129	–	1,077	–
Long service leave	1,596	103	1,621	103
Sub-total – aggregate employee benefits	2,725	103	2,698	103
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	3,739	–	1,941
Sub-total – asset remediation/restoration	–	3,739	–	1,941
TOTAL PROVISIONS	2,725	3,842	2,698	2,044

\$ '000	2019	2018
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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	1,525	1,498
	1,525	1,498

(b) Description of and movements in provisions

\$ '000	Other provisions	
	Asset remediation	Total
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 period	3,739	3,739
2018		
At beginning of year	1,859	1,859
Unwinding of discount	82	82
Total other provisions at end of period	1,941	1,941

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 2019

Note 11. 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 2019

Note 11. Provisions (continued)

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

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

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.

Note 12. 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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Statement of cash flows - additional information

\$ '000	Notes	2019	2018
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6(a)	3,787	3,485
Balance as per the Statement of Cash Flows		3,787	3,485
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		3,831	(6,393)
Adjust for non-cash items:			
Depreciation and amortisation		8,265	7,185
Net losses/(gains) on disposal of assets		120	3,140
Non-cash capital grants and contributions		–	(34)
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– Revaluation decrements / impairments of IPP&E direct to P&L		–	6,021
Unwinding of discount rates on reinstatement provisions		130	138
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		363	(1,287)
Increase/(decrease) in provision for impairment of receivables		117	–
Decrease/(increase) in inventories		(8)	4
Decrease/(increase) in other current assets		3	7
Increase/(decrease) in payables		161	21
Increase/(decrease) in accrued interest payable		(1)	–
Increase/(decrease) in other accrued expenses payable		270	92
Increase/(decrease) in other liabilities		441	256
Increase/(decrease) in provision for employee benefits		27	(355)
Increase/(decrease) in other provisions		(333)	–
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		13,386	8,795
(c) Non-cash investing and financing activities			
Donation of vehicle		–	34
Total non-cash investing and financing activities		–	34

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Commitments

\$ '000	2019	2018
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		
Warialda Bypass Project	–	998
Purchase of Road Reclaimer	–	342
Purchase of Wheel Loader	148	–
Total commitments	148	1,340
These expenditures are payable as follows:		
Within the next year	148	1,340
Total payable	148	1,340
Sources for funding of capital commitments:		
Unrestricted general funds	148	417
Future grants and contributions	–	923
Total sources of funding	148	1,340

Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. Contingencies and other assets/liabilities not recognised

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

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

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

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

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

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

Note 15. Contingencies and other assets/liabilities not recognised (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2019 was \$ 273,443. The last valuation of the Scheme was performed by Mr Richard Boyfield, FIAA on 31 December 2018, and covers the period ended 30 June 2018.

The amount of additional contributions included in the total employer contribution advised above is \$116,600. Council's expected contribution to the plan for the next annual reporting period is \$260,454.

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

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

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

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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. Contingencies and other assets/liabilities not recognised (continued)

(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.

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 2019

Note 16. Financial risk management

Risk management

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

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

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

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

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

\$ '000	Carrying value 2019	Carrying value 2018	Fair value 2019	Fair value 2018
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	3,787	3,485	3,787	3,485
Receivables	1,894	2,374	1,894	2,374
Fair value through other comprehensive income				
Investments				
– 'Financial assets at fair value through other comprehensive income' / 'available for sale financial assets' (2018)	8,606	5,842	8,606	5,842
Total financial assets	14,287	11,701	14,287	11,701
Financial liabilities				
Payables	3,415	2,543	3,415	2,584
Loans/advances	9,540	8,677	9,540	8,636
Total financial liabilities	12,955	11,220	12,955	11,220

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings** – are based upon estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.

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

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

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

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Financial risk management (continued)

- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.
- **Credit risk** – the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature. Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

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

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

\$ '000	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2019				
Possible impact of a 10% movement in market values	861	861	(861)	(861)
Possible impact of a 1% movement in interest rates	38	38	(38)	(38)
2018				
Possible impact of a 10% movement in market values	584	584	(584)	(584)
Possible impact of a 1% movement in interest rates	35	35	(35)	(35)

(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.

Credit risk profile

Receivables – rates and annual charges

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

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2019						
Gross carrying amount	310	34	–	–	–	344
2018						

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Financial risk management (continued)

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
Gross carrying amount	307	38	–	–	–	345

Receivables - non-rates and annual charges

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

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

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2019						
Gross carrying amount	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
2018						
Gross carrying amount	1,962	45	–	29	–	2,036
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ECL provision	–	–	–	–	7	7

(c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2019							
Trade/other payables	0.00%	44	3,371	–	–	3,415	3,415
Loans and advances	6.59%	–	1,795	6,361	3,648	11,804	9,540
Total financial liabilities		44	5,166	6,361	3,648	15,219	12,955

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Financial risk management (continued)

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				1 - 5 Years	> 5 Years		
2018							
Trade/other payables	0.00%	99	2,444	–	–	2,543	2,543
Loans and advances	6.14%	–	1,547	4,852	4,304	10,703	8,677
Total financial liabilities		99	3,991	4,852	4,304	13,246	11,220

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Material budget variations

Council's original financial budget for 18/19 was adopted by the Council on 28/06/2018 and is unaudited.

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

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

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

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

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance -----	
REVENUES				
Rates and annual charges	10,479	10,314	(165)	(2)% U
User charges and fees	3,201	3,491	290	9% F
Interest and investment revenue	101	263	162	160% F
Interest on investments was higher than budget due to additional funds being invested.				
Other revenues	2,977	4,170	1,193	40% F
Other revenues were greater than the budget forecast due to additional income from Naroo \$233k, \$373k Crown Land adjustment and reimbursements for council costs associated with the Joint Organisation \$239k.				
Operating grants and contributions	13,042	9,709	(3,333)	(26)% 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 are 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	4,545	5,114	569	13% F
Council received additional funding for Regional Roads \$581k and \$361k for capital upgrade of the kitchen at Naroo.				
EXPENSES				
Employee benefits and on-costs	12,515	12,078	437	3% F
Borrowing costs	516	615	(99)	(19)% U
Council had not budgeted for the the discount (non cash) adjustment on the remediation liabilities for landfill and quarries \$81k.				
Materials and contracts	6,790	6,102	688	10% F
Council received additional funding for roads which increased materials and contract costs.				
Depreciation and amortisation	6,411	8,265	(1,854)	(29)% U

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Material budget variations (continued)

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance -----	
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Council revalued a number of assets classes in 2018 which significantly increased the asset value and subsequent depreciation expense. The 2019 budget had already been adopted prior to the completion of the revaluation.

Other expenses	2,779	2,050	729	26%	F
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Council had budgeted for additional insurance and communication costs however the costs were not incurred.

Restatement of the landfill remediation provision also resulted in an adjustment of \$333k.

Net losses from disposal of assets	50	120	(70)	(140)%	U
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Proceeds from the sale of plant & equipment was less than originally budgeted.

Revaluation decrement / impairment of IPP&E	-	-	-	∞	F
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STATEMENT OF CASH FLOWS

Net cash provided from (used in) operating activities	9,823	13,386	3,563	36%	F
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Additional revenue from Naroo operations and capital grants increased the cash provided from operating activities.

Net cash provided from (used in) investing activities	(9,427)	(13,899)	(4,472)	47%	U
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Council income from the sale of assets was less than original budget and there were additional capital purchases.

Net cash provided from (used in) financing activities	(1,002)	815	1,817	(181)%	F
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Council took out 2 loans totalling \$2,023k which were not in the original budget. Loan principal repayments were also lower than original budget.

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

Note 18. 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

2019	Notes	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	6(b)					
– 'Financial assets at fair value through other comprehensive income'		30/06/19	–	8,606	–	8,606
Total financial assets			–	8,606	–	8,606
Infrastructure, property, plant and equipment						
	9					
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
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		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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Fair Value Measurement (continued)

2018	Notes	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	6(b)					
– ‘Financial assets at fair value through other comprehensive income’		30/06/18	–	5,842	–	5,842
Total financial assets			–	5,842	–	5,842
Infrastructure, property, plant and equipment						
	9					
Plant & Equipment		30/06/18	–	–	8,157	8,157
Office Equipment		30/06/18	–	–	288	288
Furniture & Fittings		30/06/18	–	–	749	749
Operational Land		30/06/18	–	–	4,952	4,952
Community Land		30/06/16	–	–	2,557	2,557
Buildings Specialised		30/06/18	–	–	16,117	16,117
Buildings Non-Specialised		30/06/18	–	–	17,533	17,533
Other Structures		30/06/16	–	–	4,357	4,357
Roads		30/06/15	–	–	280,866	280,866
Bridges		30/06/15	–	–	38,154	38,154
Footpaths		30/06/15	–	–	2,686	2,686
Stormwater Drainage		30/06/18	–	–	1,833	1,833
Water Supply Network		30/06/18	–	–	15,046	15,046
Sewerage Network		30/06/18	–	–	4,980	4,980
Swimming Pools		30/06/16	–	–	2,506	2,506
Other		30/06/16	–	–	147	147
Tip Asset		30/06/17	–	–	1,359	1,359
Quarry Asset		30/06/17	–	–	344	344
Work in Progress		30/06/18	–	–	2,810	2,810
Total infrastructure, property, plant and equipment			–	–	405,441	405,441

(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.

(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	4,777		4,777
Non saleable land	3	Cost	2,930		2,930

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Fair Value Measurement (continued)

Total					
Buildings (cost approach)					
Specialised buildings	3	Cost	34,497	18,900	15,597
Total					
Buildings (market/income approach)					
Residential Buildings	3	Market	41,664	24,861	16,803
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.

As at 30 June 2018 a comprehensive revaluation was undertaken Scott Fullerton Valuers for Operational Land and Building Asset Classes.

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

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

Note 18. Fair Value Measurement (continued)

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

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 2015. There has been no change to the valuation process during the reporting year.

Stormwater Drainage

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Fair Value Measurement (continued)

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.

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

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

\$ '000	Total IPP&E
2018	
Opening balance	422,553
Purchases (GBV)	8,243
Disposals (WDV)	(3,675)
Depreciation and impairment	(7,185)
FV gains – other comprehensive income	(8,474)
Revaluation Decrements to P&L	(6,021)
Restate Provision	–
Closing balance	405,441
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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Fair Value Measurement (continued)

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

\$ '000	Fair value (30/6/19)	Valuation technique/s	Unobservable inputs
b. Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.			
Infrastructure, property, plant and equipment			
Plant & Equipment	8,941	Cost	Gross Replacement Costs, Useful Life, Residual Value
Office equipment	281	Cost	Gross Replacement Costs, Useful Life, Residual Value
Furniture and fittings	699	Cost	Gross Replacement Costs, Useful Life, Residual Value
Operational land	4,777	Relevant sales in the area	Land Value
Community land	2,930	Land Values issued by Valuer General	Land Value
Buildings specialised	15,597	Depreciated Replacement Cost	Replacement Costs, Useful Life, Asset Condition
Buildings non-specialised	16,803	Depreciated Replacement Cost	Replacement Costs, Useful Life, Asset Condition
Other structures	4,404	Depreciated Replacement Cost	Replacement Costs, Useful Life, Asset Condition
Roads	279,088	Unit Rates and Condition Assessment	Replacement Costs, Useful Life, Asset Condition
Bridges	38,143	Unit Rates and Condition Assessment	Replacement Costs, Useful Life, Asset Condition
Footpaths	2,666	Unit Rates and Condition Assessment	Replacement Costs, Useful Life, Asset Condition
Stormwater drainage	1,827	Modern Engineering Equivalent Replacement Assets (MEERA) and Standard unit costs	Replacement Costs, Useful Life, Asset Condition
Water supply network	15,150	Modern Engineering Equivalent Replacement Assets (MEERA) and Standard unit costs	Replacement Costs, Useful Life, Asset Condition
Sewerage network	4,897	Depreciated Replacement Cost	Replacement Costs, Useful Life, Asset Condition
Swimming pools	2,393	Depreciated Replacement Cost	Gross Replacement Costs, Useful Life
Other	138	Depreciated Replacement Cost	Gross Replacement Costs, Useful Life
Tip asset	3,305	Unit Rates and Condition Assessment	Replacement Costs, Useful Life, Asset Condition
Quarry asset	314	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 2019

Note 19. Related Party Transactions

(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	2019	2018
Compensation:		
Short-term benefits	803	842
Post-employment benefits	158	366
Total	961	1,208

(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.

Nature of the transaction	Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for impairment of receivables outstanding	Expense recognised for impairment of receivables
2019					
Employee Expenses relating to close family members of KMP	129	-	Council staff award	-	-
Supply of Gravel cartage	217	-	7 days on invoice	-	-
Purchase of vacant land	85	-		-	-
2018					
Employee Expenses relating to close family members of KMP	120	-	Council staff award	-	-
Supply of Gravel cartage	183	-	7 days on invoice	-	-
Purchase of vacant land	-	-		-	-

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. 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

\$ '000	as at 30/6/2018						as at 30/6/2019	
	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					
S7.11 not under plans	256	238	-	6	-	-	500	-
Total contributions	256	238	-	6	-	-	500	-

S7.11 Contributions – not under a plan

CONTRIBUTIONS NOT UNDER A PLAN

Roads	256	238	-	6	-	-	500	-
Total	256	238	-	6	-	-	500	-

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Financial result and financial position by fund

\$ '000	Waste 2019	General ¹ 2019	Water 2019	Sewer 2019
Income Statement by fund				
Income from continuing operations				
Rates and annual charges	1,438	7,498	723	655
User charges and fees	–	2,372	1,049	70
Interest and investment revenue	71	95	17	80
Other revenues	80	4,054	35	1
Grants and contributions provided for operating purposes	–	9,709	–	–
Grants and contributions provided for capital purposes	–	5,112	–	2
Total income from continuing operations	1,589	28,840	1,824	808
Expenses from continuing operations				
Employee benefits and on-costs	393	10,944	457	284
Borrowing costs	5	467	143	–
Materials and contracts	784	4,536	544	238
Depreciation and amortisation	186	7,460	423	196
Other expenses	(318)	2,094	229	45
Net losses from the disposal of assets	–	100	20	–
Total expenses from continuing operations	1,050	25,601	1,816	763
Operating result from continuing operations	539	3,239	8	45
Net operating result for the year	539	3,239	8	45
Net operating result attributable to each council fund	539	3,239	8	45
Net operating result for the year before grants and contributions provided for capital purposes	539	(1,873)	8	43

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 2019

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

\$ '000	Waste 2019	General ¹ 2019	Water 2019	Sewer 2019
Statement of Financial Position by fund				
ASSETS				
Current assets				
Cash and cash equivalents	855	1,770	170	992
Investments	1,950	3,966	390	2,300
Receivables	86	1,461	279	68
Inventories	–	783	20	1
Total current assets	2,891	7,980	859	3,361
Non-current assets				
Infrastructure, property, plant and equipment	3,954	384,073	16,516	5,463
Total non-current assets	3,954	384,073	16,516	5,463
TOTAL ASSETS	6,845	392,053	17,375	8,824
LIABILITIES				
Current liabilities				
Payables	1	3,386	28	–
Income received in advance	–	163	–	–
Borrowings	8	1,085	181	–
Provisions	–	2,725	–	–
Total current liabilities	9	7,359	209	–
Non-current liabilities				
Borrowings	49	6,599	1,618	–
Provisions	3,306	536	–	–
Total non-current liabilities	3,355	7,135	1,618	–
TOTAL LIABILITIES	3,364	14,494	1,827	–
Net assets	3,481	377,559	15,548	8,824
EQUITY				
Accumulated surplus	2,880	253,537	12,748	8,566
Revaluation reserves	601	124,022	2,800	258
Council equity interest	3,481	377,559	15,548	8,824
Total equity	3,481	377,559	15,548	8,824

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 2019

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

\$ '000	Amounts 2019	Indicator 2019	Prior periods		Benchmark
			2018	2017	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(1,163)	(4.16)%	0.11%	16.52%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	27,947				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	18,109	54.77%	58.69%	57.18%	>60.00%
Total continuing operating revenue ¹	33,061				
3. Unrestricted current ratio					
Current assets less all external restrictions	6,596	1.56x	1.73x	2.04x	>1.50x
Current liabilities less specific purpose liabilities	4,228				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	7,717	4.23x	4.19x	6.81x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	1,823				
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	394	3.71%	3.90%	4.42%	<10.00%
Rates, annual and extra charges collectible	10,623				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	3,787	1.97 mths	1.90 mths	4.80 mths	>3.00 mths
Monthly payments from cash flow of operating and financing activities	1,922				

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

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

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

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

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2019	2018	2019	2018	2019	2018	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses	(4.87)%	(0.48)%	1.54%	0.24%	5.33%	17.61%	>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	51.01%	54.84%	98.68%	100.00%	97.28%	100.00%	>60.00%
Total continuing operating revenue							
3. Unrestricted current ratio							
Current assets less all external restrictions	1.67x	1.73x	4.11x	3.01x	∞	∞	>1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	4.73x	4.83x	1.61x	1.18x	∞	∞	>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	3.40%	3.59%	6.13%	6.51%	5.23%	4.93%	<10.00%
Rates, annual and extra charges collectible							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	1.51	1.28	1.28	1.16	20.99	30.89	>3.00
Payments from cash flow of operating and financing activities	mths	mths	mths	mths	mths	mths	mths

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

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



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 Income Statement and Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been presented, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The 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 except where the Council will be dissolved or amalgamated by an Act of Parliament, or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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



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

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 17 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 Services

Delegate of the Auditor-General for New South Wales

21 October 2019
SYDNEY



Cr John Coulton
Mayor
Gwydir Shire Council
PO Box 5
BINGARA NSW 2404

Contact: Chris Harper
Phone no: 02 9275 7374
Our ref: D1924222/1736

21 October 2019

Dear Mayor Coulton

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

I have audited the general purpose financial statements (GPFS) of Gwydir Shire Council (the Council) for the year ended 30 June 2019 as required by section 415 of the *Local Government Act 1993* (the Act).

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

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2019 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2019	2018	Variance
	\$m	\$m	%
Rates and annual charges revenue	10.3	10.1	2.0
Grants and contributions revenue	14.8	12.1	22.3
Operating result for the year	3.8	(6.4)	159
Net operating result before capital grants and contributions	(1.3)	(9.1)	85.7

Council's operating result of \$3.8 million was \$10.2 million higher than the 2017–18 result. This was mainly due a \$3.0 million reduction in the net loss on disposal of assets, a reduction in the revaluation increment of \$6.0 million (correction of previous buildings and sewer network valuations in the prior year) and additional grant revenues of \$2.7 million (see comments below).

The reduction in expenditure and higher capital grant income was partially offset by increases in depreciation and amortisation expense of \$1.1 million due to the changes in remaining useful lives following revaluation of buildings, water and sewer network assets in the prior year; increases in materials and contract costs of \$841,000 associated with increased grant funding and outsourcing some project works; and increases in employee costs of \$472,000 associated with the reduction in employee costs capitalised on Council projects.

The net operating deficit before capital grants and contributions of \$1.3 million was \$7.8 million lower than the 2017–18 result. This is mainly due to the reasons above excluding the increase in capital grants.

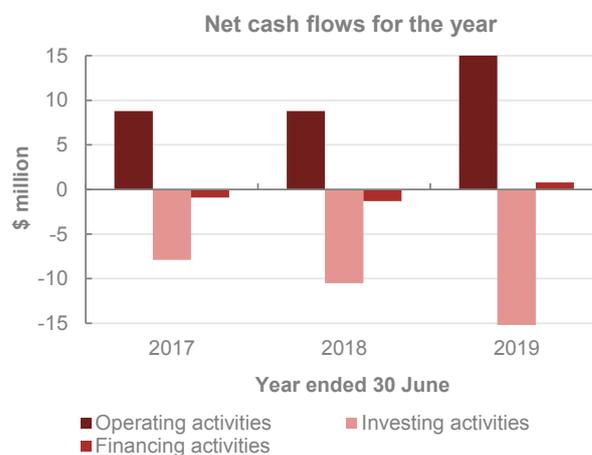
Rates and annual charges revenue of \$10.3 million increased by \$186,000 or 2.0 per cent in 2018–2019 due to rate peg increases.

Grants and contributions revenue of \$14.8 million increased by \$2.7 million or 22.3 per cent in 2018–2019 mainly due to:

- increases in aged care contributions for infrastructure works of \$300,000
- increases in recreation and culture grants of \$500,000 arising from building better community grant opportunities for sporting ground and community hall upgrades
- increase in capital grants for Warialda bypass of \$1.3 million
- grant funding for building stronger country communities of \$700,000
- increases in RMS contributions for various regional roads of \$600,000
- reduction in roads to recovery funding of \$900,000 due to the completion of the three year funding cycle.

STATEMENT OF CASH FLOWS

Cash from operations increased by \$6.6 million due to higher grants and contributions. Cash outflows from investing increased by \$5.4 million due to increases in capital expenditure funded by increases in capital grants. Council also moved additional cash into investments during the year. Cash from financing activities increased by \$2.1 million due to additional borrowings to fund capital projects.



FINANCIAL POSITION

Cash and investments

Cash and investments	2019	2018	Commentary
	\$m	\$m	
External restrictions	7.4	6.1	<ul style="list-style-type: none"> Major external cash restrictions include water, sewer and domestic waste operations reserves as well as grants for specific purposes. The main increase was in unexpended grants related to projects to be completed in the coming year, including the Warialda Bypass. Major internal restrictions related to reserves to fund future capital works, increase reserves to fund waste management plans and employee leave entitlements. Council has also restricted the financial assistance grant instalments received in advance. Council has a policy of limiting unrestricted cash at year end.
Internal restrictions	4.9	3.1	
Unrestricted	0.1	0.1	
Cash and investments	12.4	9.3	

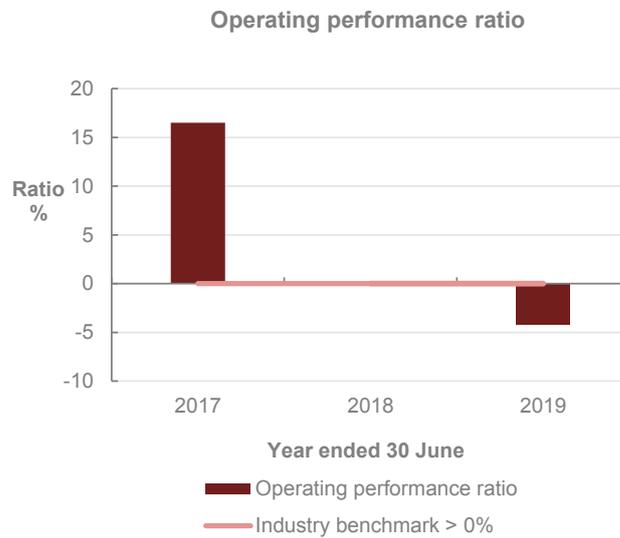
PERFORMANCE

Operating performance ratio

The 2018–19 operating performance ratio (-4.16) arose due to a negative net operating result, caused by higher levels of capital grant income and adjusted operating expenses compared to 2017–18.

Adjusted operating expenses increased after excluding losses on disposal of assets and the revaluation decrement in 2017–18.

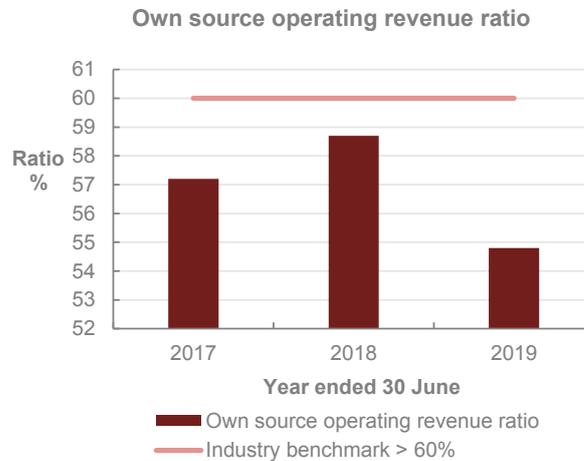
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the former Office of Local Government (OLG) is greater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



Own source operating revenue ratio

The own source operating revenue ratio has reduced compared to the 2017–18 year due to increases in grants in the current year.

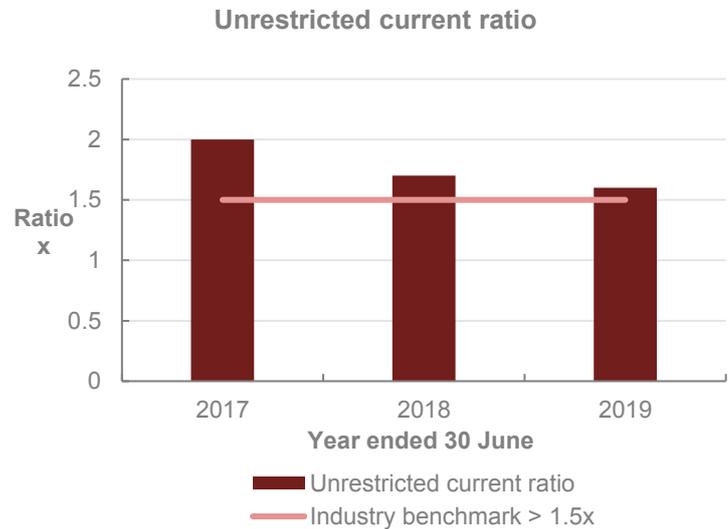
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by the former OLG is greater than 60 per cent.



Unrestricted current ratio

Council remains above the former OLG benchmark. The reduction in the unrestricted current ratio is due to Council utilising cash reserves for capital works in the current year.

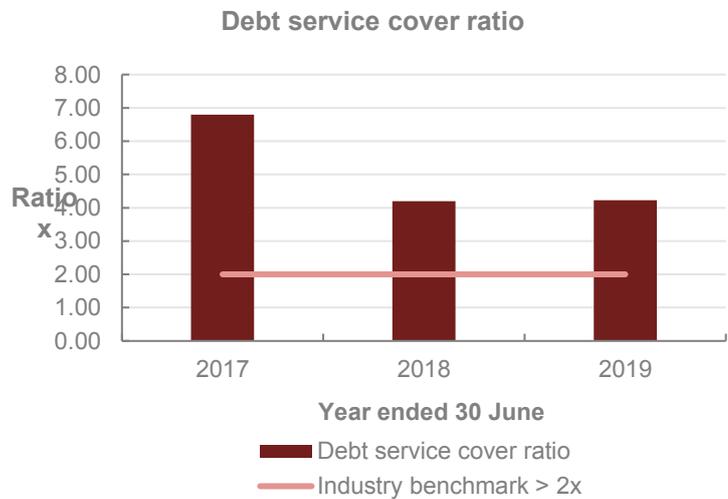
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by the former OLG is greater than 1.5 times.



Debt service cover ratio

Council's debt service cover ratio remains above the former OLG benchmark and remained consistent with the prior year.

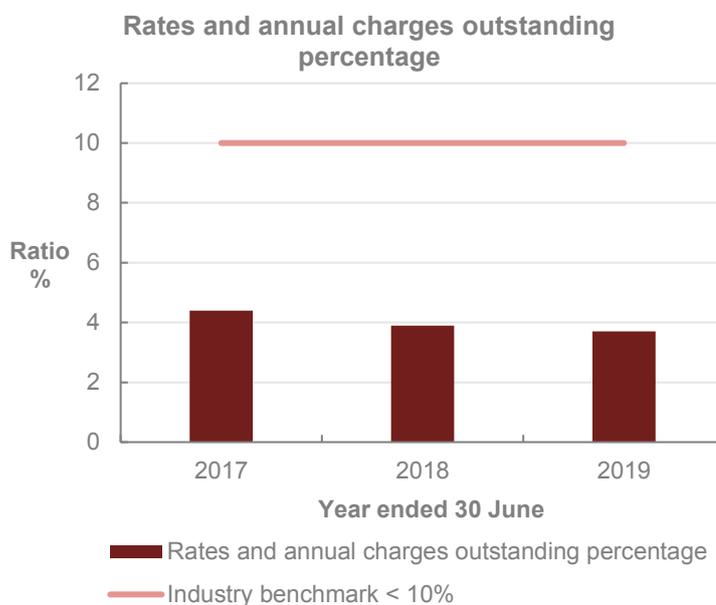
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by the former OLG is greater than two times.



Rates and annual charges outstanding percentage

Council's rates and annual charges outstanding ratio has remained stable compared to the past two years and remains well within the former OLG benchmark.

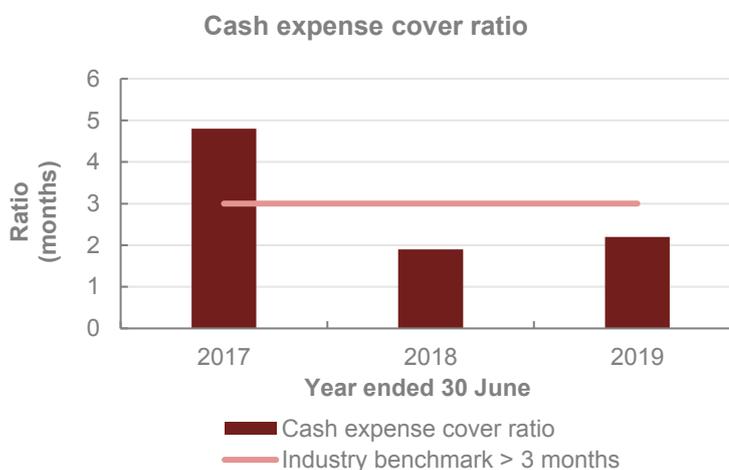
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by the former OLG is less than 10 per cent for regional and rural councils.



Cash expense cover ratio

The cash expense cover ratio remains comparable to 2017–18. The reduction from 2016–17 is due to Council moving cash into managed funds in the past two years.

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



Infrastructure, property, plant and equipment renewals

Council's Infrastructure, Property, Plant and Equipment (IPPE) renewal expenditure was \$8.9 million. This increased by \$1.7 million compared to 2017–18 due to Council increasing its road renewal works in accordance with its infrastructure management plans. Renewal expenditure exceeded depreciation for the year by \$634,000.

OTHER MATTERS

New accounting standards implemented

Application period	Overview
AASB 9 'Financial Instruments' and revised AASB 7 'Financial Instruments: Disclosures'	
For the year ended 30 June 2019	<p>AASB 9 replaces AASB 139 'Financial Instruments: Recognition and Measurement' changes the way financial instruments are treated for financial reporting.</p> <p>Key changes include:</p> <ul style="list-style-type: none">• a simplified model for classifying and measuring financial assets• a new method for calculating impairment• a new type of hedge accounting that more closely aligns with risk management. <p>The revised AASB 7 includes new disclosures as a result of AASB 9.</p> <p>Council's disclosure of the impact of adopting AASB 9 is disclosed in Notes 6 and 7.</p>

Legislative compliance

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

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



Chris Harper
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

cc: Mr Max Eastcott, General Manager
Mr Nicolas Tobin, Chair of Audit, Risk and Improvement Committee
Mr Jim Betts, Secretary of the Department of Planning, Industry and Environment



Gwydir Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2019

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



Special Purpose Financial Statements for the year ended 30 June 2019

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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).

Gwydir Shire Council

Special Purpose Financial Statements
for the year ended 30 June 2019

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 26 September 2019.



Cr Catherine Egan
Deputy Mayor
26 September 2019



Cr David Coulton
Councillor
26 September 2019



Max Eastcott
General Manager
26 September 2019



Helen Thomas
Responsible Accounting Officer
26 September 2019

Income Statement – Water Supply Business Activity

for the year ended 30 June 2019

\$ '000	2019	2018
Income from continuing operations		
Access charges	723	722
User charges	1,046	956
Fees	3	3
Interest	17	18
Other income	35	2
Total income from continuing operations	1,824	1,701
Expenses from continuing operations		
Employee benefits and on-costs	457	446
Borrowing costs	143	162
Materials and contracts	544	535
Depreciation, amortisation and impairment	423	331
Loss on sale of assets	20	–
Other expenses	229	223
Total expenses from continuing operations	1,816	1,697
Surplus (deficit) from continuing operations before capital amounts	8	4
Surplus (deficit) from continuing operations after capital amounts	8	4
Surplus (deficit) from all operations before tax	8	4
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(2)	(1)
SURPLUS (DEFICIT) AFTER TAX	6	3
Plus accumulated surplus	12,740	12,736
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	2	1
Closing accumulated surplus	12,748	12,740
Return on capital %	0.9%	1.0%
Subsidy from Council	67	269
Calculation of dividend payable:		
Surplus (deficit) after tax	6	3
Surplus for dividend calculation purposes	6	3
Potential dividend calculated from surplus	3	1

Income Statement – Sewerage Business Activity

for the year ended 30 June 2019

\$ '000	2019	2018
Income from continuing operations		
Access charges	655	653
User charges	70	70
Interest	80	77
Other income	1	12
Total income from continuing operations	806	812
Expenses from continuing operations		
Employee benefits and on-costs	284	307
Materials and contracts	238	116
Depreciation, amortisation and impairment	196	4,237
Other expenses	45	44
Total expenses from continuing operations	763	4,704
Surplus (deficit) from continuing operations before capital amounts	43	(3,892)
Grants and contributions provided for capital purposes	2	–
Surplus (deficit) from continuing operations after capital amounts	45	(3,892)
Surplus (deficit) from all operations before tax	45	(3,892)
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(12)	–
SURPLUS (DEFICIT) AFTER TAX	33	(3,892)
Plus accumulated surplus	8,521	12,413
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	12	–
Closing accumulated surplus	8,566	8,521
Return on capital %	0.8%	(71.6)%
Subsidy from Council	29	4,035
Calculation of dividend payable:		
Surplus (deficit) after tax	33	(3,892)
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 2019

\$ '000	2019 Category 2	2018 Category 2
Income from continuing operations		
Access charges	1,438	1,407
User charges	–	17
Interest	71	57
Other income	80	95
Total income from continuing operations	<u>1,589</u>	<u>1,576</u>
Expenses from continuing operations		
Employee benefits and on-costs	393	434
Borrowing costs	5	6
Materials and contracts	784	595
Depreciation, amortisation and impairment	186	183
Other expenses	(318)	2
Total expenses from continuing operations	<u>1,050</u>	<u>1,220</u>
Surplus (deficit) from continuing operations before capital amounts	<u>539</u>	<u>356</u>
Surplus (deficit) from continuing operations after capital amounts	539	356
Surplus (deficit) from all operations before tax	539	356
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(148)	(98)
SURPLUS (DEFICIT) AFTER TAX	<u>391</u>	<u>258</u>
Plus accumulated surplus	2,341	1,985
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	148	98
Closing accumulated surplus	<u>2,880</u>	<u>2,341</u>
Return on capital %	13.8%	18.1%

Income Statement – Naroo aged care
for the year ended 30 June 2019

\$ '000	2019 Category 1	2018 Category 1
Income from continuing operations		
Rentals	2,437	2,383
Interest	8	7
Other income	1	56
Total income from continuing operations	<u>2,446</u>	<u>2,446</u>
Expenses from continuing operations		
Employee benefits and on-costs	2,079	2,032
Borrowing costs	150	(10)
Materials and contracts	385	539
Depreciation, amortisation and impairment	192	119
Other expenses	113	71
Total expenses from continuing operations	<u>2,919</u>	<u>2,751</u>
Surplus (deficit) from continuing operations before capital amounts	(473)	(305)
Grants and contributions provided for capital purposes	361	–
Surplus (deficit) from continuing operations after capital amounts	<u>(112)</u>	<u>(305)</u>
Surplus (deficit) from all operations before tax	<u>(112)</u>	<u>(305)</u>
SURPLUS (DEFICIT) AFTER TAX	<u>(112)</u>	<u>(305)</u>
Plus accumulated surplus	(359)	(54)
Plus adjustments for amounts unpaid:		
Closing accumulated surplus	<u>(471)</u>	<u>(359)</u>
Return on capital %	(7.5)%	(7.0)%
Subsidy from Council	380	434

Statement of Financial Position – Water Supply Business Activity

as at 30 June 2019

\$ '000	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	170	157
Investments	390	260
Receivables	279	342
Inventories	20	21
Total current assets	<u>859</u>	<u>780</u>
Non-current assets		
Infrastructure, property, plant and equipment	16,516	16,549
Total non-current assets	<u>16,516</u>	<u>16,549</u>
TOTAL ASSETS	<u>17,375</u>	<u>17,329</u>
LIABILITIES		
Current liabilities		
Payables	28	–
Borrowings	181	259
Total current liabilities	<u>209</u>	<u>259</u>
Non-current liabilities		
Borrowings	1,618	1,766
Total non-current liabilities	<u>1,618</u>	<u>1,766</u>
TOTAL LIABILITIES	<u>1,827</u>	<u>2,025</u>
NET ASSETS	<u>15,548</u>	<u>15,304</u>
EQUITY		
Accumulated surplus	12,748	12,740
Revaluation reserves	2,800	2,564
TOTAL EQUITY	<u>15,548</u>	<u>15,304</u>

Statement of Financial Position – Sewerage Business Activity

as at 30 June 2019

\$ '000	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	992	1,202
Investments	2,300	2,000
Receivables	68	65
Inventories	1	2
Total current assets	<u>3,361</u>	<u>3,269</u>
Non-current assets		
Infrastructure, property, plant and equipment	5,463	5,433
Total non-current assets	<u>5,463</u>	<u>5,433</u>
TOTAL ASSETS	<u>8,824</u>	<u>8,702</u>
<u>NET ASSETS</u>	<u>8,824</u>	<u>8,702</u>
EQUITY		
Accumulated surplus	8,566	8,521
Revaluation reserves	258	181
<u>TOTAL EQUITY</u>	<u>8,824</u>	<u>8,702</u>

Statement of Financial Position – Waste business activity
as at 30 June 2019

\$ '000	2019 Category 2	2018 Category 2
ASSETS		
Current assets		
Cash and cash equivalents	855	904
Investments	1,950	1,550
Receivables	86	79
Total current assets	<u>2,891</u>	<u>2,533</u>
Non-current assets		
Infrastructure, property, plant and equipment	3,954	1,999
Total non-current assets	<u>3,954</u>	<u>1,999</u>
TOTAL ASSETS	<u>6,845</u>	<u>4,532</u>
LIABILITIES		
Current liabilities		
Payables	1	–
Borrowings	8	7
Total current liabilities	<u>9</u>	<u>7</u>
Non-current liabilities		
Borrowings	49	58
Provisions	3,306	1,525
Total non-current liabilities	<u>3,355</u>	<u>1,583</u>
TOTAL LIABILITIES	<u>3,364</u>	<u>1,590</u>
NET ASSETS	<u>3,481</u>	<u>2,942</u>
EQUITY		
Accumulated surplus	2,880	2,341
Revaluation reserves	601	601
TOTAL EQUITY	<u>3,481</u>	<u>2,942</u>

Statement of Financial Position – Naroo aged care
as at 30 June 2019

\$ '000	2019 Category 1	2018 Category 1
ASSETS		
Current assets		
Cash and cash equivalents	290	290
Receivables	75	72
Total current assets	<u>365</u>	<u>362</u>
Non-current assets		
Infrastructure, property, plant and equipment	4,318	4,510
Total non-current assets	<u>4,318</u>	<u>4,510</u>
TOTAL ASSETS	<u>4,683</u>	<u>4,872</u>
LIABILITIES		
Current liabilities		
Bank overdraft	1,051	1,413
Payables	–	1
Borrowings	155	42
Aged care bonds	2,415	1,934
Total current liabilities	<u>3,621</u>	<u>3,390</u>
Non-current liabilities		
Borrowings	2,431	2,739
Other Liabilities	117	117
Total non-current liabilities	<u>2,548</u>	<u>2,856</u>
TOTAL LIABILITIES	<u>6,169</u>	<u>6,246</u>
NET ASSETS	<u>(1,486)</u>	<u>(1,374)</u>
EQUITY		
Accumulated surplus	(471)	(359)
Revaluation reserves	(1,015)	(1,015)
TOTAL EQUITY	<u>(1,486)</u>	<u>(1,374)</u>

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

Note 1. Significant Accounting Policies

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

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

The figures presented in these Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the Local Government Act 1993 (NSW), the *Local Government (General) Regulation 2005*, and the Local Government Code of Accounting Practice and Financial Reporting.

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

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

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The *Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

Declared business activities

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

Category 1

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

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 2019

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 \$692,000 of combined land values attracts 0%. For the combined land values in excess of \$692,001 up to \$4,231,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$4,231,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$850,000.

In accordance with the Department of Industry (DoI) – Water guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the DoI – Water guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

Achievement of substantial compliance to the DoI – Water guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 27.5%.

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

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

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

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 1.32% at 30/6/19.

(iv) Dividends

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

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

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

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2019 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

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

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 Income Statement of each declared business activity for the year ended 30 June 2019, the Statement of Financial Position of each declared business activity as at 30 June 2019, Note 1 Significant accounting policies for the business activities declared by Council, and the Statement by Councillors and Management.

The declared business activities of the Council are:

- Water Supply
- 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 2019, and its financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting – update number 27 (LG Code).

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

Basis for Opinion

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

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

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

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



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

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

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

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The 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, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does not provide assurance:

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



Chris Harper
Director, Financial Audit Services
Delegate of the Auditor-General for New South Wales

21 October 2019
SYDNEY

Gwydir Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2019

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



Special Schedules
for the year ended 30 June 2019

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Permissible income for general rates for the year ended 30 June 2019

\$ '000		Calculation 2019/20	Calculation 2018/19
Notional general income calculation ¹			
Last year notional general income yield	a	7,822	7,662
Plus or minus adjustments ²	b	(25)	(2)
Notional general income	c = a + b	7,797	7,660
Permissible income calculation			
Or rate peg percentage	e	2.70%	2.30%
Or plus rate peg amount	i = e x (c + g)	211	176
Sub-total	k = (c + g + h + i + j)	8,008	7,836
Plus (or minus) last year's carry forward total	l	15	1
Sub-total	n = (l + m)	15	1
Total permissible income	o = k + n	8,023	7,837
Less notional general income yield	p	8,007	7,822
Catch-up or (excess) result	q = o - p	16	15
Carry forward to next year ⁶	t = q + r + s	16	15

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 2020.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting – update number 27 (LG Code), and is in accordance with the books and records of the Council.

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The 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 2019'.

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

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

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

I have nothing to report in this regard.

The 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, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

My opinion does not provide assurance:

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



Chris Harper
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

21 October 2019
SYDNEY

Report on Infrastructure Assets
as at 30 June 2019

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2018/19 Required maintenance ^a	2018/19 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
(a) Report on Infrastructure Assets - Values												
Buildings	Buildings – non-specialised	980	–	464	464	16,803	41,664	7.0%	19.0%	65.0%	6.0%	3.0%
	Buildings – specialised	578	–	252	252	15,597	34,497	9.0%	26.0%	53.0%	12.0%	0.0%
	Sub-total	1,558	–	716	716	32,400	76,161	7.9%	22.2%	59.6%	8.7%	1.6%
Other structures	Other structures	–	–	–	–	4,404	5,941	65.0%	27.0%	8.0%	0.0%	0.0%
	Sub-total	–	–	–	–	4,404	5,941	65.0%	27.0%	8.0%	0.0%	0.0%
Roads	Sealed roads	1,508	–	1,519	1,519	182,315	217,858	45.0%	46.0%	6.0%	3.0%	0.0%
	Unsealed roads	946	–	1,180	1,180	94,220	105,947	85.0%	5.0%	4.0%	3.0%	3.0%
	Bridges	–	–	3	3	38,142	38,547	47.0%	49.0%	4.0%	0.0%	0.0%
	Footpaths	284	–	12	12	2,666	3,190	2.0%	21.0%	60.0%	17.0%	0.0%
	Kerb & Guttering	182	–	5	5	2,552	3,160	14.0%	53.0%	17.0%	14.0%	2.0%
Sub-total	2,920	–	2,719	2,719	319,895	368,702	56.1%	34.4%	5.8%	2.9%	0.8%	
Water supply network	Water supply network	226	–	457	457	15,150	23,001	64.0%	29.0%	3.0%	2.0%	2.0%
	Sub-total	226	–	457	457	15,150	23,001	64.0%	29.0%	3.0%	2.0%	2.0%
Sewerage network	Sewerage network	881	–	159	159	4,897	12,617	11.0%	51.0%	0.0%	38.0%	0.0%
	Sub-total	881	–	159	159	4,897	12,617	11.0%	51.0%	0.0%	38.0%	0.0%

Report on Infrastructure Assets (continued)
as at 30 June 2019

Asset Class	Asset Category	Estimated cost				Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council	2018/19 Required maintenance ^a	2018/19 Actual maintenance			1	2	3	4	5
Stormwater drainage	Stormwater drainage	176	–	16	16	1,827	3,922	1.0%	90.0%	0.0%	9.0%	0.0%
	Sub-total	176	–	16	16	1,827	3,922	1.0%	90.0%	0.0%	9.0%	0.0%
Open space / recreational assets	Swimming pools	–	–	158	158	2,393	2,706	0.0%	0.0%	100.0%	0.0%	0.0%
	Sub-total	–	–	158	158	2,393	2,706	0.0%	0.0%	100.0%	0.0%	0.0%
TOTAL - ALL ASSETS		5,761	–	4,225	4,225	380,966	493,050	47.2%	32.8%	14.3%	4.7%	1.0%

^(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 2019

\$ '000	Amounts 2019	Indicator 2019	Prior periods 2018	Prior periods 2017	Benchmark
Infrastructure asset performance indicators (consolidated) *					
Buildings and infrastructure renewals ratio ¹					
Asset renewals ²	8,899	125.89%	60.05%	113.48%	>=100.00%
Depreciation, amortisation and impairment	7,069				
Infrastructure backlog ratio ¹					
Estimated cost to bring assets to a satisfactory standard	5,761	1.51%	1.34%	3.11%	<2.00%
Net carrying amount of infrastructure assets	380,966				
Asset maintenance ratio					
Actual asset maintenance	4,225	100.00%	100.00%	100.00%	>100.00%
Required asset maintenance	4,225				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	-	-	-	-	
Gross replacement cost	493,050				

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

(1) Excludes Work In Progress (WIP)

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

Report on Infrastructure Assets (continued)
as at 30 June 2019

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2019	2018	2019	2018	2019	2018	
Infrastructure asset performance indicators (by fund)							
Buildings and infrastructure renewals ratio ¹							
Asset renewals ²	135.25%	94.00%	32.10%	26.40%	10.71%	2.27%	>=100.00%
Depreciation, amortisation and impairment							
Infrastructure backlog ratio ¹							
Estimated cost to bring assets to a satisfactory standard	1.29%	1.25%	1.49%	1.47%	17.99%	7.51%	<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	-	-	-	-	-	-	
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.