



**Gunnedah**

Shire Council

2019/20 Annual Report

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## A Year in Review

The Gunnedah Shire Council 2019/20 Annual Report provides a comprehensive account of Council’s performance from 1 July 2019 to 30 June 2020. This document is one of the key components of the Integrated Planning and Reporting Framework, legislated by the NSW Government. It is an integral part of Council being open and accountable in reporting to our community.

## Reading this Report

The 2018/19 Annual Report is presented in three volumes:

- Part 1 – A Year in Review, providing a community overview of the key achievements of the financial year.
- Part 2 – Statutory Information, legislated detail about Council’s operations and expenses.
- Part 3 – Financial Statements

Our Annual Report gives the Gunnedah community a comprehensive and transparent statement of our performance in relation to the Community Strategic Plan. Through our reporting, we aim to demonstrate how we are working towards the goals of the Plan, and achieving objectives and strategies of our Delivery Program and the actions set out in our Operational Plan.

By the end of November each year, we report on our achievement of the list of actions set out in our Operational plan. This report demonstrates the breadth of Council operations and the services provided to the community throughout the year.

The full document suite is available on Council’s website.

## Acknowledgement of Country

Council would like to acknowledge the Kamilaroi people as the traditional custodians of the Land on which we gather today. Council would also like to pay respect to Elders both past and present and extend that respect to other Australians present.

*Adopted : 16 Dec 2020  
Resolution : 3.12/20*

*Cover:  
Rainbow Serpent, Gunnedah Cultural Precinct*



# Introduction from the Mayor and General Manager

Council has undertaken a number of initiatives to support the community during the drought and COVID-19, including but not limited to:

- Leveraging a Council \$1.4 million investment to gain Federal support of \$1 million and State support of \$1 million to create a pool of funding amounting to at least \$3.4 for a Community Resilience Program;
- Participation in the Namoi Unlimited “Vendor Panel” program;
- Roll-out of the Federal Government’s initial \$1 million Drought Communities Extension Program through successful projects within our community;
- Surveying of business to assess impact of drought and COVID-19.

The considerable progress made against outcomes contained in the Community Strategic Plan (CSP) is outlined in this report, under each of the four themes: Engaging and Supporting the Community; Building Our Shire’s Economy; Retaining our Quality of Life; and Enjoying our Beautiful Surrounds.

Council has maintained its dedication to realising those outcomes and the vision agreed with the Community. This has delivered significant achievements over the last year, and reinforced the foundation for many to come. A few highlights of those achievements detailed are included below under the following headings:

1. A high level summary of key matters determined by Council, with further details of decisions made included under in each CSP theme in the Annual Report;
2. Major projects under way or funded during the period;
3. Development activity;
4. Progress against identified unfunded priorities;
5. Grant funding achieved and applications pending; and
6. The Financial Performance of Gunnedah Shire Council.

## 1. Extract of key matters determined by Council during the year

The following decisions made by Council during the last 12 months are a selection of key considerations.

A more detailed account of decisions made at each of Council’s meetings from 1 July 2019 to 30 June 2020 are included under each CSP theme in this Annual Report. Council’s Minutes of its Ordinary and Extraordinary Meetings contain a full account of each and every decisions made by Council. Key matters determined include:

### July 2019

- Accepted the expression of interest from CaPTA Group for the operation of the Gunnedah Koala Park.
- Awarded a contract for construction of the Rainbow Serpent Water Feature in the amount of \$274,258 ex GST.
- Authorised negotiation of a VPA with Whitehaven Coal for the Vickery Expansion Project.
- Allocated a further \$107,478 to the Livvi’s Place Inclusive Playground Project.
- Endorse allocation of \$12,950 to seven businesses under Round 1 of the 2019/20 Business Partner Program;
- Determined to write to Police Minister supporting Gunnedah Rural Museum’s request to have the NSW Firearms Regulation 2017 modified.
- Determined to organise and fund an event to promote the creation of a Multicultural Gunnedah group.
- Waived the application fees for all Street Trading (Vendor) and Footpath Dining applications for the 2019/20 financial year and adopt the NSW Outdoor Dining Policy.
- Award Lidcole Pty Ltd T/A Hopes Fuel Supplies as a single source tender for 1 July 2019 to 30 June 2020 for Supply and Delivery of Bulk Fuel.
- Endorsed a one off bulky waste event at Council’s Waste Facilities in September 2019.
- Adopted the Draft Effluent Agreement between Council and IAI Australia Fund 11 Pty Ltd for 1 July 2019 to 30 June 2024.
- Allocated \$65,000 for the purpose of development of an Open Space Strategy for the Gunnedah Shire.

### August 2019

- Allocated \$39,510 under the 2019/20 s356 Small Grants (Community and Sport) round 1 for 6 community organisations and 5 sporting organisations.
- Adopted the draft Gunnedah Regional Saleyards Precinct Master plan for exhibition.
- Allocated \$40,017 to enable early opening of the Swimming Pool for the 2019/20 summer season.



### **September 2019**

- Contributed \$15,600 from the Public Reserves Management Fund towards the Gunnedah Jockey Club's 2018/19 Operational Costs.
- Endorsed the lease of the Gunnedah Memorial Pool Kiosk operations to Gunida Gunyah Aboriginal Corporation for the 2019/20 season.
- Adopted the Gunnedah Regional Saleyards Master Plan and authorised commencement of works to bring to a shovel ready project for the purpose of pursuing grant funding.
- Appointed Power Control and Communication, Dries Electrical and Thomson Electrical to the Preferred Supply Panel – Supply of Electrical Services (T1819-11).
- Resolved to enter into a contract with the Electoral Commissioner to administer Council's 2020 Local Government elections.

### **October 2019**

- Approved the development of a design for the Gunnedah Koala Park based on the facility being located at Lot 329 DP755503 and noted the Feasibility Study, Preliminary Statement of Environmental Effects, Functional Description and Operating Model.
- Accepted the audited financial statements of Council for 2018-19.
- Adopted for exhibition the Draft Community Participation Plan.
- Adopted for exhibition the Draft Recovery Policy and Draft Hardship Policy for exhibition.
- Allocated a further \$81,936 in the 2020/21 Operational Plan for the cost of the NSW Electoral Commissioner to administer Council's September 2020 election.
- Allocated \$200,000 for the Gunnedah Shire Community Resilience Program, and a further \$1million for the purpose of funding projects under the Program and resolved to lobby the NSW State and Federal Governments to each match Council's \$1million commitment.
- Added \$3,000 to Council's event budget to support Australia Day Celebrations in Shire Villages and Community Halls with it to become an annual component of the Australia Day budget.

### **November 2019**

- Submitted the 2018-19 Annual Report to the Minister for Local Government.
- Called on the NSW State and Federal Government to provide adequate resources to ensure that applications for the Shenhua Watermark and Whitehaven Vickery Extension Projects are dealt with in the most expeditious way, in order to provide certainty for the community in difficult times.
- Resolved to proceed to negotiate a binding agreement to lease the Gunnedah Koala Park and allocated \$12,000 towards legal costs.
- Adopted the Council meetings schedule to August 2020.
- Called on the NSW State Government to fast track the commitments of the new \$53million Gunnedah Hospital and the sealing of Rangari Road.
- Resolved to agree to the sale of shares in Southern Phone Company Limited.
- Allocated \$11,750 under round 2 of the 2019/20 Business Partner Program across five local businesses.
- Awarded the contract for Supply and Delivery of Aggregates for the period of 3 years from 1 January 2020, with the provision for a 12 month extension to Mackellar Excavations, Boral Resources, BMR Quarries and Daracon Group.
- Allocated additional funding for the ongoing operations of the Gunnedah Airport and authorised investigation of other means of raising revenue for the facility.

### **December 2019**

- Awarded the contract for Construction of Concrete Roundabout – Oxley highway Gunnedah, to Tefcon.
- Adopted the Community Resilience Program objectives and authorise the General Manager to approve projects.
- Endorsed the execution of the VPA for the Mary's Mount Blue Metal Gravel Quarry.
- Noted the completion of sale of shares in Southern Phones and allocated funds to the buildings renovations and additions restricted asset.
- Adopted the exhibited Debt Recovery and Hardship Policy.
- Resolved to conduct a review of the E3 Zone within Gunnedah Shire and allocated \$6,300 towards costs.
- Supported Black and Blue Boxing by reversal of a November 2018 invoice and charge future costs at the community rate upon receipt of confirmation of not for profit status.
- Endorsed the allocation of land adjacent to the airport for the purpose of a Rural Fire Service Station for the Gunnible RFS Brigade.
- Approved the growth of GoCo operations into the Tamworth region.
- Resolved to request the NSW State and Federal Governments to provide funding to enable Councils to offer rate relief to drought affected communities.



- Adopted a submission to the Local Government Remuneration Tribunal.
- Waived the showground booking fees for Riding for the Disabled Association Gunnedah Centre for 2020.
- Noted the Team Rubicon's Litres for the Land initiative and donate up to 50,000kl of water to the program.
- Allocate \$20,000 towards a Sister Cities and Friendly Relationships Program.
- Adopted the draft Cultural Precinct Master Plan for exhibition.
- Adopted the Waste Management – Exemption from Charges for Not-for-profit Charities (Orphaned Waste) Policy.

### **February 2020**

- Awarded the contract for the Gunnedah Showground Arena Lighting Upgrade and new PA System to Large Industries Pty Ltd for \$365,592 ex GST.
- Adopted the Draft Policy – Child, Young Person and Vulnerable Person Protection for exhibition and adoption pending no submissions being received.
- Adopted the Draft Waste Management – Waste Generated Outside the Gunnedah Shire Council Local Government Area Policy for exhibition and adoption pending no submissions being received.
- Deferred further consideration of the Cultural Precinct Master Plan until further consultation was undertaken with the Cultural Precinct Advisory Group.
- Accept the opportunity as a major sponsor of the 2020 Energy Innovation and Mining Expo and resolved to make an in-kind contribution of \$11,000 and cash contribution of \$7,000 provide the event proceeds.
- Adopted the Draft Policy – Gifts and Benefits for exhibition and adoption pending no submissions being received.
- Awarded the tender for Insurance Related Services and insurance coverage to Civic Risk Mutual Pty Ltd.
- Adopted the Draft Policy – Legislative Compliance.
- Required a report be brought which addresses concerns with respect to the upkeep of Porcupine Reserve relative to fire risks.
- Adopted Community Participation Plan following its exhibition.
- Adopted extension of Waste and Organics Agreement and Recyclables Agreement.
- Authorised distribution of donations held for drought to the Rural Financial Counselling Service and to local clubs undertaking drought relief work.
- Endorsed the formation of a Gunnedah Community Safety Conference Working Group.
- Resolved to provide requested funding to undertake service reviews for Parks and Gardens, Water and Sewerage Services and Works Services.

### **March 2020**

- Received the report from the Gunnedah Chamber of Commerce and Industry for the 2019 Christmas Fair;
- Awarded contract for Gunnedah Showground Amenities Block to Uniplan Group.
- Awarded tender for Supply and Delivery of Tyres and Associated Services to Bridgestone Australia, Tyres4U and Tyremax.
- Adopted the Amended Gunnedah Development Control Plan.
- Awarded contract for the Gunnedah Showground Rodeo Arena to Palmers Landscapes.
- Adopted submissions to the National General Assembly of Local Government.
- Adopted the Business Continuity Plan Management Policy.
- Allocated \$25,750 under Round 3 of the 2019/20 Business Partner Program across 14 local businesses.
- Endorsed the Draft Vickery Extension Project Voluntary Planning Agreement for public exhibition.
- Endorsed the Gunnedah Shire Council COVID-19 Response Strategy, authorised the freezing of interest accrual against rates and charges, authorised the departure from the formal debt recovery processes and Policy for the duration of the activation of the Business Continuity Plan, and authorised the General Manager to waive fees and charges in exceptional circumstances.

### **April 2020**

- Endorsed the LG NSW State and Federal campaign to obtain financial assistance and stimulus for the local government sector.
- Adoption of the Draft 2017-2021 Delivery Program and 2020-21 Operational Plan for exhibition.
- Waived fees for North West Medical to hold a drive through flu vaccination clinic at the Gunnedah Showground.
- Reallocated \$30,000 from Parks and Gardens to fund a comprehensive pavement inspection at the Airport.
- Awarded contract for Backhoe Loader to WestTrac Pty Ltd.
- Reallocated \$19,074 to undertake an inspection and assessment of the Orange Grove Road Bridge.
- Allocated \$1,225,014 as a co-contribution towards the upgrade of Clifton Road.
- Removed the Level 1 Water Restrictions from the Gunnedah Shire Town Water Supply from 1 May 2020.



### **May 2020**

- Adopted the first phase of the Community Resilience COVID-19 Business Support Package with an allocation of an additional \$220,000 to offset revenue waivers and reductions.
- Awarded contract for the Dry Hire of Landfill Compactor for the Gunnedah Landfill to Select Civil Pty Ltd to commence 1 May 2020 for a period of 24 months.
- Adopted Draft Future 2040- Gunnedah Shire Local Strategic Planning Statement for public exhibition, and adoption pending no submissions being received.
- Accepted grant of \$106,000 from Transport NSW for the extension of the High Pedestrian Activity zone in the Gunnedah CBD.
- Awarded contract for the McCall's Road Water Main Extension from Wandobah Road to Hunts Road to TCM Civil Pty Ltd.
- Awarded contract for an Articulated Wheel Loader to Komatsu Pty Ltd.
- Awarded contract for a Self Propelled Vibrating Roller to Westrac Pty Ltd.
- Extended the Farmer Army temporary workforce program to include individuals that are unemployed or underemployed due to the COVID-19 pandemic.
- Waived fees for North West Medical to hold a further flu vaccination clinic at the Gunnedah Showground.
- Acceptance of \$211,750 Transport NSW Active Transport Programme funding with a matching co-contribution from Council, for the South Street Cycleway Project.
- Contract for Grovewood Culverts Replacement awarded to Tefcon Pty Ltd for \$161,479 ex GST.
- Authorised execution of the Vickery Extension Project VPA with Whitehaven.
- Nominated Councillor John Campbell as Chair of Region 11 of the Murray Darling Association.
- Allocated \$166,935 to fund the bollard fencing project at Wandobah Reserve to restrict vehicular access.
- Adopted the Alcohol Free Zones for a further 4 years, from 1 July 2020 to 30 June 2024.
- Awarded tender for Regional Procurement Bulk Water Treatment Chemicals for period 1 July 2020 to 30 June 2023 to Redox, Omega Chemicals and Chemiplas, with provision for a single 12 months extension based on performance.
- Allocated \$8,000 to fund the installation of 2 reverse cycle air conditioners in the Curlewis Hall.
- Adoption of the 2017-2021 Delivery Program and 2020-21 Operational Plan.
- Allocated \$26,000 to fund the renewal of the Donnelly Fields Irrigation System.

### **June 2020**

- Adopted the Draft Gunnedah Shire Workforce Plan (2020-24) for exhibition and adoption pending no submissions being received.
- Allocated \$10,000 to meet additional costs for safety and hygiene supplies as a result of COVID-19.
- Allocated \$20,834 under the 2019-20 Arts and Cultural Grants Fund.
- Allocated \$625,175 as Council's co-contribution to the Orange Grove Road Bridge replacement project.
- \$32,167 allocated to 22 local businesses under the COVID-19 Special Round of the Business Partner Program.
- Supported in principal the establishment of a Campervan and Motorhome Club of Australia (CMCA) Recreational Vehicle Park at 107-109 Chandos Street and 65-67 Maitland Street.
- Executed the COVID-19 Economic Stimulus Package funding agreement between NSW Government and Council.
- Approved 5 year lease to Gunnedah Conservatorium of Music.
- Adopted the Advocacy and Leadership Register procedure for Namoi Unlimited Joint Organisation.
- Received an update on the Contract for Construction of the Gunnedah Memorial Pool Complex Upgrade.
- Approved the placement for sale of 61 Lincoln Street, Gunnedah with proceeds on sale to be placed in a restricted for the development of a housing strategy.
- Adopted the 'Invest in Gunnedah' Investment Prospectus for the purpose of encouraging economic growth and diversification.
- Awarded contract for Showground Rodeo Arena Construction to BP Crane Contracting for the sum of \$190,200 ex GST.
- Allocated \$13,000 Sister Cities and Friendly Relationships Program funding to 2 applicants.
- Adopted the submission to the IPC (Independent Planning Commission) with respect to the Whitehaven Vickery Extension Project.
- Allocated \$540,455 as Council's Co-contribution to the Kelvin Road Upgrade Project.
- Accepted the terms offered by CaPTA Group for a binding contract for the operation of the Gunnedah Koala Park.

### **July 2020**

- Awarded the Preferred Supplier for Personal Protective Clothing to Stripes Asset Services PTY Ltd for a period of 2 years with an option for a further 12 months.



- Allocated \$29,602 to 6 community groups and 3 sporting bodies under the section 356 Small Grants Program.
- Allocated \$198,000 matching co-contribution from Council for works to Gunnedah Airport under the Federal Government's Regional Airports Program.
- Deferred consideration of the Dorothea Mackellar Memorial Society Lease and Financial Contribution agreement.
- Adopted revised Ordinary Meeting Schedule given deferral of 2020 Local Government Elections until 4 September 2021 due to COVID-19.
- Awarded contract for Green Waste Processing to Davis Earthmoving and Quarrying for the period 16 July 2020 to 30 June 2022, with provision for a 12 month extension.
- Allocated \$15,000 as a co-contribution for the Gunnedah Jockey Club's application under the Crown Reserves Improvement Fund.
- Endorsed submission to the NSW Electoral Commission that Gunnedah Shire Council Local Government Area remain in the Tamworth Electorate.
- Resolved for staff to work closely with Liverpool Range RFS with respect to Porcupine Reserve Management.
- Adopted the Community Resilience – COVID-19 Business Recovery Package 'Invigorate Gunnedah' and allocated \$805,000 to fund the package.

### **August 2020**

- Endorsed the Community Information Day Regarding Health and Support Services Available in Gunnedah.
- Awarded the contract for Crushing and Screening of Concrete, Brick and Tile to GCE Contractors for the period 12 August 2020 to 30 June 2022, with provision for a 12 month extension.
- Allocated \$28,250 under Round 1 of the 2020-21 Business Partner Program to 15 local businesses.
- The approval of a 1 year lease to Dorothea Mackellar Memorial Society for the Mackellar Centre at Anzac Park with provision for a 2 year extension pending satisfactory performance and a 1 year financial contribution agreement for \$17,300.
- Adopted the final Future 2040- Gunnedah Shire Local Strategic Planning Statement.
- Allocated \$20,460 to cover clean up costs associated with 65 Hopedale Avenue and a further \$60,000 to be placed in a restricted asset for costs associated with the clean up of other hoarding and squalor impacted properties identified by Council.
- Allocated \$73,000 to fund a comprehensive pavement inspection and field survey for the Gunnedah Airport.
- Resolved to make application to the Minister and Governor for approval to acquire Lot 1 in DP1208666 by compulsory process.
- Endorsed the operation of the Gunnedah Memorial Pool Summer Kiosk internally, the reduction of the pool complex operating hours by one hour for each day and season duration to be from the October long weekend until the last weekend in March 2021.
- Allocated up to \$1,500,000 in additional co-funding towards the delivery of the Saleyards Master Plan Project pending receipt of funding from the NSW Government.
- Resolved to submit Council's Financial Statements for the year ended 30 June 2020 for audit.
- Accepted Essential Energy's offer to upgrade all of the existing streetlights in the Gunnedah LGA to LED luminaires.

In addition to the Council report items highlighted above and outlined in the respective theme areas, Council also received regular reports regarding the following:

- Council's Investment Performance and progress against Council Resolutions, on a monthly basis; and
- Budget Reviews and Project Progress Reports, on a quarterly basis; and
- Community Progress Report against Council's Delivery Program on a six monthly basis; and
- Audit Committee, and Planning Environment and Development Committee Reports following the respective meetings.

## **2. Major Projects underway and/or funded during the year**

The following is an overview of the major projects which Council has been engaged in either the direct delivery of, or lobbying and advocating for, to secure funding and delivery by other levels of Government.

This includes major projects with values in excess of \$125 million delivered or to be delivered in our Shire. The existing investment in renewal of our local hospital and the announced commitment of \$53 million for a new hospital is not included in the list.

We wish to recognise the support of our local State and Federal members, Kevin Anderson and Mark Coulton in the realisation of a number of these projects, and the many other positive outcomes for our Community that don't necessarily involve infrastructure delivery.

Project	Program	Expenditure	Status
Gunnedah Second Road over Rail Bridge (RMS Project)	Economic Development	\$62,000,000	In progress
Investment Prospectus Expansion Strategy	Economic Development	\$60,000	Completed
Positioning, Branding and Marketing Strategy	Economic Development	\$100,000	Completed
Community Workforce Plan	Economic Development	\$20,000	Completed
Gunnedah Gateway Point Improvement Project	Economic Development	\$20,000	Completed
Marketing Collateral	Economic Development	\$100,000	Completed
Pool Upgrade Strategic Additions	Swimming Pool	\$392,890	Completed
Indoor Pool Roofing	Swimming Pool	\$20,000	Completed
Gunnedah to Curlewis Pipeline	Curlewis Water	\$5,920,000	Completed
Livvi's Place Inclusive Playground	Parks and Gardens	\$1,662,084	Completed
Village Tree Program	Parks and Gardens	\$35,304	Completed
Town Entrance Beautification	Parks and Gardens	\$58,000	In progress
Kitchener Park reseal	Sporting Grounds	\$59,950	Completed
State Road Works	State Roads – RMS	\$7,861,867	Completed
Bloomfield Street Reconstruction	Regional Roads	\$4,000,000	Completed
Gunnedah Koala Park and Education Centre	Tourism	\$6,480,000	In progress
Rainbow Serpent Water Feature	Arts and Culture	\$305,725	Completed
Candy Bar Counter	Civic	\$65,000	Completed
Cash Register and POS	Civic	\$12,000	Completed
Theatre Seats	Civic	\$62,895	Completed
Cinema Carpet Replacement	Civic	\$19,750	Completed
Curtains	Civic	\$10,400	Completed
Cinema Lighting	Civic	\$24,325	Completed
Library Carpet Replacement	Library	\$40,000	Completed
Saleyards Master Plan	Saleyards	\$110,000	Completed
Land acquisition	Saleyards	\$80,209	Completed
Showground Grandstand and Amenities Upgrade	Parks and Gardens	\$397,664	In progress
Gunnedah Showground Community Infrastructure Upgrade	Parks and Gardens	\$1,041,821	In progress
Gunnedah Showground Equine Precinct Upgrade	Parks and Gardens	\$839,758	In progress
Playground Equipment Replacement Program	Parks and Gardens	\$48,351	Completed
Playground Shading Program	Parks and Gardens	\$37,908	Completed
Open Space Strategy	Parks and Gardens	\$65,000	In progress
Cultural Precinct Master Plan	Public Halls and Facilities	\$160,000	In progress
Grain Valley Road Upgrade	Regional Roads	\$8,200,000	In progress
Regional Roads Program	Regional Roads	\$262,474	Completed
Clifton Road Reconstruction	Rural Sealed Roads	\$461,623	Completed
Mystery Road Upgrade	Rural Sealed Roads	\$3,015,000	In progress
Clifton Road Upgrade	Rural Sealed Roads	\$9,819,000	In progress
Rural Sealed Roads Renewal Program	Rural Sealed Roads	\$1,529,000	Completed
Rural Unsealed Roads Re-sheeting Program	Rural Unsealed Roads	\$733,000	Completed
Urban Street Renewal Program	Urban Streets	\$513,000	Completed
Automated Water Meter Read System	Gunnedah Water	\$1,750,000	Completed
South Street Reservoir	Gunnedah Water	\$840,000	In progress



Upgrade Wandobah Water	Gunnedah Water	\$185,000	Completed
Main Replacement Program	Gunnedah Water	\$416,000	Completed
Mains Extensions	Gunnedah Water	\$491,000	Completed
Water Supply Upgrade	Mullaley Water	\$89,075	Completed
Crown Land Purchase	Gunnedah Sewer	\$80,660	Completed
Sewer Main Relining	Gunnedah Sewer	\$150,808	Completed
Rising Main Replacement	Gunnedah Sewer	\$286,555	Completed
STP Inlet Grinder	Gunnedah Sewer	\$120,000	In progress
STP stage 2 – Investigation	Gunnedah Sewer	\$56,957	In progress
STP Solar Power	Gunnedah Sewer	\$110,023	In progress
Sewer Developer Servicing Plan	Gunnedah Sewer	\$14,238	Completed
Document Management Upgrade and Integration	Information Services	\$150,000	Completed
Redevelopment of Finance Software	Financial Services	\$75,000	In progress
Fleet Replacement Program	Fleet	\$372,000	Completed
Plant Replacement Program	Plant	\$1,491,250	Completed
Resource Recovery Area Drainage Upgrade Works	Waste Management	\$60,000	Completed
Litter Fences	Waste Management	\$75,000	Completed
Waste Collection Program	Waste Management	\$80,000	Completed
Reseal Car Park	Airport	\$24,536	Completed
Burial Beam	Cemetery	\$25,527	Completed
South Street Cycleway	Footpaths and Bike Tracks	\$423,500	In progress
Bloomfield Street	Kerb and Gutter	\$298,147	Completed
Little Barber Street	Kerb and Gutter	\$145,000	Completed
Kamilaroi Road	Kerb and Gutter	\$101,282	Completed
Conadilly Street	Kerb and Gutter	\$62,000	Completed
Rodney Street	Kerb and Gutter	\$178,500	Completed
Bridge Street	Kerb and Gutter	\$82,450	Completed

### 3. Development activity

We would also like to draw your attention to the exciting endorsement of our Community and Shire as a desirable place to work, live and play, as evidenced by the development activity in the statistics below. It is also indicative that despite always needing to remain mindful of and maintain a commitment to continuous improvement and being easy to do business with, Council is enabling others to get the things done which matter to them.

It is also acknowledged that the figures for 2019/20 and 2018/19 are down on those for the previous year, due to the impact on the community of the prolonged drought earlier in the year and subsequent COVID-19 pandemic.

#### Number of DAs and CDCs Approved (Applications, or App's)

Approved Type	2016/17		2017/18		2018/19		2019/20	
	App's	\$	App's	\$	App's	\$	App's	\$
Dwellings	48	14,984,456	66	21,981,404	25	9,133,293	20	6,273,560
Commercial	10	2,890,806	10	1,989,798	8	803,655	11	1,687,048
Commercial Change of Use	5	200,000	4	15,000	1	40,000	4	163,000
Industrial	11	9,065,000	9	23,498,135	12	3,215,000	11	4,396,500
Community	6	1,810,563	6	370,804	6	3,499,280	6	9,226,718
Infrastructure	3	3,940,000	9	2,744,486	5	342,341	-	-
Tourist	1	5,900	-	-	-	-	-	-
<b>Totals</b>	<b>84</b>	<b>32,896,725</b>	<b>104</b>	<b>50,599,627</b>	<b>57</b>	<b>17,033,569</b>	<b>52</b>	<b>21,746,826</b>

#### Number of DAs and CDCs Lodged (Applications, or App's)

Lodged Type	2016/17		2017/18		2018/19		2019/20	
	App's	\$	App's	\$	App's	\$	App's	\$
Dwellings	52	16,326,566	58	20,513,314	26	9,400,823	29	8,094,081
Commercial	11	588,806	10	2,009,798	11	2,223,415	9	256,288



Commercial Change of Use	5	200,000	4	15,000	4	690,000	4	13,000
Industrial	11	6,521,000	11	23,866,135	11	2,917,000	17	4,311,500
Community	5	1,760,563	7	3,370,804	8	7,095,280	9	10,754,698
Infrastructure	4	3,771,000	7	2,173,486	5	342,341	3	13,438,802
Tourist	-	-	-	-	-	-	-	-
<b>Totals</b>	<b>88</b>	<b>29,167,935</b>	<b>97</b>	<b>51,948,537</b>	<b>65</b>	<b>22,668,859</b>	<b>71</b>	<b>36,868,369</b>

#### 4. Progress against identified unfunded priorities

The following provides a summary of our Council's achievements against the list of unfunded priorities, as originally adopted in July 2017. This demonstrates that as a Council we are not only satisfied to achieve those things set down at each review our strategic documents, but in consultation with our Community, also strive to recognise and achieve greater outcomes wherever possible for the Community.

Project	Status	Comment
Koala/Wildlife Park	Achieved	Funding deed executed. Delivery in progress. Council to provide land.
Inclusive Playground Project	Achieved	Grant funding awarded under NSW Stronger Country Communities Fund. Funding deed executed. In progress. Co-funded by Council.
Rainbow Serpent Fountain	Achieved	Partially funded by Council to the amount of \$150,000 (out of savings on Simpson's Bridge) to match grant funds. Funding deed executed. Delivery in progress.
Sports Field Lighting Upgrades	Achieved	Funded by Council
Showground Lighting Upgrades	Achieved	Funding achieved under NSW Stronger Country Communities Round 2. Co-contribution resolved by Council.
Showground Facilities Upgrades	Achieved	Funding achieved under Public Reserves Management Fund (\$289,000) with further Funding under NSW Stronger Country Communities Round 2. Co- contribution resolved by Council.
Equestrian Precinct	Achieved	Funding under NSW Regional Sporting Infrastructure Grants Program, with co-contribution resolved by Council.
Curlewis Water Pipeline	Achieved	Funding achieved through Federal Building Better Regions Program and Council funded the balance.
Bloomfield Street Upgrade	Achieved	Funding achieved from Federal HVSP and NSW Fixing Country Roads, with balance to be funded by Council.
Grain Valley Road Upgrade	Achieved	Funding achieved from Federal HVSP and waiting advice of application under NSW Fixing Country Roads, with Council to make a co-contribution.
Clifton Road Upgrade	Achieved	Funding achieved under
Rangari Road	Part funded	Road now included in regional roads strategy of Namoi Unlimited to support funding applications. Announced by State Local Member that it has been funded. Announcement 31 July 2020 now advising part funded. Application lodged for R4R funding subsequently to supplement Transport NSW funding.
Further Development of Airport Precinct	Part funded	Funding applied for under NSW Growing Local Economies Fund, unsuccessful. Remains unfunded. Part funding achieved under Federal Regional Airport funding (\$198,000), and matched by Council to a total of \$396,000.
Dorothea Mackellar Society Poetry Precinct	Still to be funded	Supported Society in funding applied for under NSW Tourism Fund, unsuccessful. Remains unfunded.
Industrial Subdivision	Still to be funded	Funding applied for under NSW Growing Local Economies Fund, progressed to second round and submission of detailed business case. Council to supply land if successful.



Bulunbulun Road	Still to be funded	Applications to be considered against future rounds of Commonwealth and State Roads Programs. Road now included in regional roads strategy of Namoi Unlimited to support funding applications.
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In addition to the above, Council has also been able to secure funding from the State Government to assist in the sealing of the remaining unsealed length of Kelvin Road. Council has committed \$0.54 million, whilst securing \$4.053million from the State Fixing Local Roads Program and is awaiting determination of an application for \$1 million under the Federal Heavy Vehicle Safety and Productivity Program. Should the Federal application be successful it will reduce the financial burden upon the community for this project to \$0.351 million.

## 5. Grant funding achieved and applications pending

The following table provides a summary of those non-recurrent grant funds which our Council has secured on behalf of the Community over the last 12 months or for current projects, and those for which we hope are yet to come under current applications.

As indicated below, \$6.3million investment of Council contributions has secured \$40.7million in combined State and Federal funding for projects totalling \$47million. This represents a return on investment in simple terms of 6.46 times that invested, or 646%.

The list does not include recurrent funding such as Financial Assistance Grants, Roads to Recovery Funding, Council won State Road works programs, GoCo funding and other annual funds that our staff routinely secure and deliver work from.

Project	Grant Fund and Source	Total Project Costs \$	Council Co-funding \$	Amount Funded \$
Clifton Road Upgrade	Fixing Country Roads	9,819,000	1,255,014	8,563,986
Kelvin Road Upgrade	Fixing Local Roads	5,404,545	351,136	4,053,409
Kelvin Road Upgrade	Federal Heavy Vehicle Safety and Productivity Program	As above	As above	1,000,000
Community Resilience Program	Federal Drought Relief Extension Program Round 2	3,200,000	1,200,000	1,000,000
	State Contribution to Resilience Program	As above	As above	1,000,000
Rangari Road	Transport for NSW	10,050,000	0	7,011,628 TBC
	Resources for Regions Round 7 – pending	As above	0	1,430,000 Pending
	Transport for NSW – pending	As above	0	1,608,372 TBC
1.1km Shared Path in South Street	Active Transport Program, Transport NSW	423,500	211,750	211,750
Gunnedah Airport Upgrades	Federal Regional Airports Program \$396,000	396,000	198,000	198,000
Showground Upgrades	NSW Showground Stimulus Package	128,469	0	128,469
Saleyards Master Plan	NSW Economic Stimulus	17,550,000	3,050,000	14,000,000
	Fixing Country Truck Wash NSW			500,000
	<b>Total Grants Awarded and Pending</b>	<b>46,971,514</b>	<b>6,265,900</b>	<b>40,705,614</b>

## 6. Financial performance of Gunnedah Shire Council

Finally, we have continued to achieve impressive outcomes from a financial performance perspective. These results would be something any Council would be pleased to display.



As a summary, the following table provides the last two years' key performance measures as per the 2019/20 Financial Statements submitted for audit.

<b>Financial Performance Indicator</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>Benchmark</b>
Operating Performance Ratio	9.63%	18.91%	14.98%	19.95%	>0.00%
Own Source Operating Revenue ratio	64.04%	67.91%	60.99%	65.11%	>60.00%
Unrestricted Current ratio	1.57x	2.76x	4.66x	6.06x	>1.5x
Debt Service cover ratio	12.02x	14.85x	12.69x	18.66x	>2x
Rates, Annual Charges, Interest and Extra Charges Outstanding	5.05%	4.28%	3.84%	4.34%	<10%
Cash expense cover ratio	20.73 mths	19.17 mths	23.44 mths	28.20 mths	> 3 months



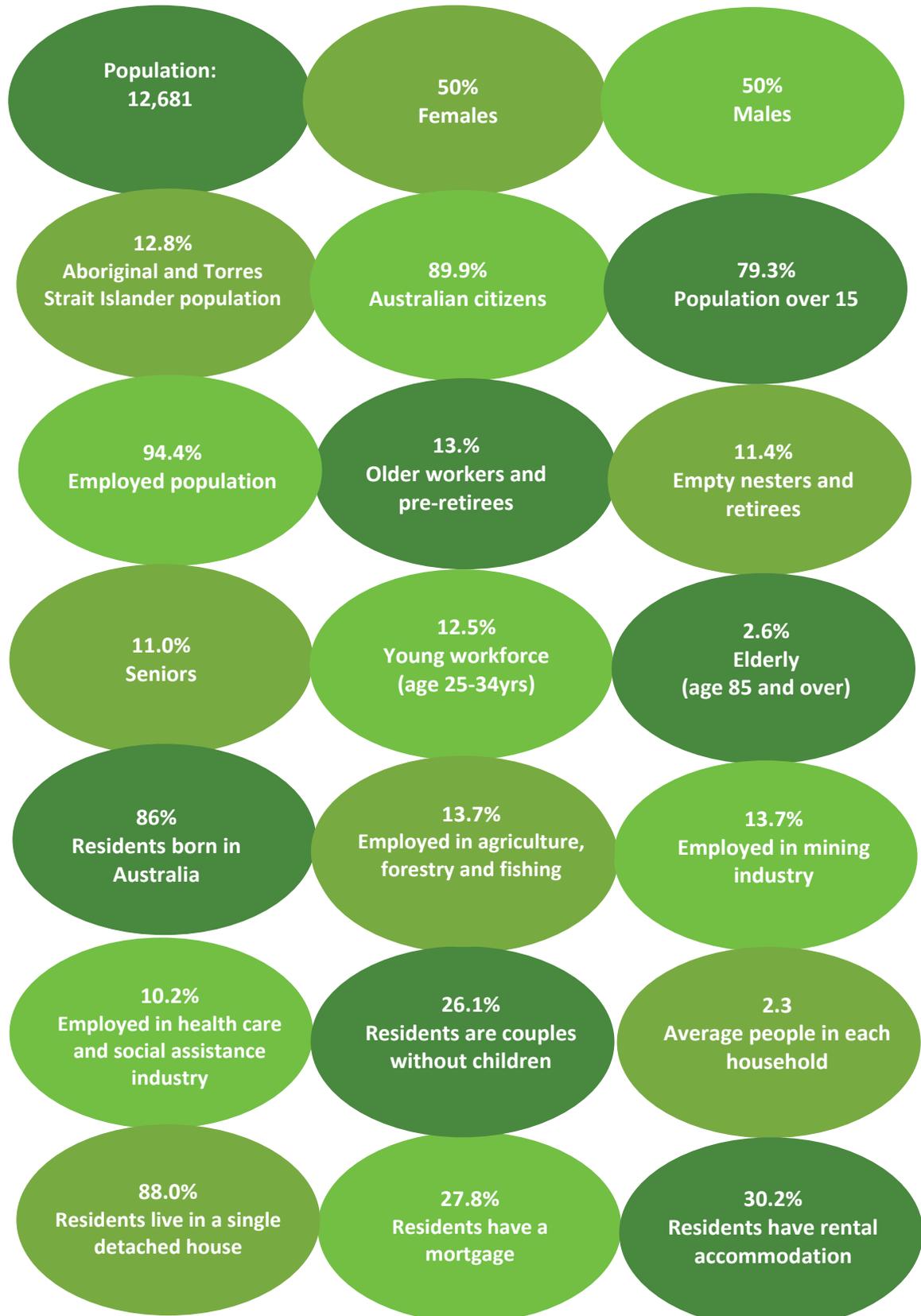
Councillor Jamie Chaffey  
MAYOR



Eric Groth  
GENERAL MANAGER

# About Gunnedah

Gunnedah Shire is a local government area in the North West Slopes region of New South w/ales, Australia. The township of Gunnedah is 440 kilometres from Sydney and is located adjacent to the Liverpool Plains in the Namoi River valley and is traversed by the Oxley Highway and the Kamilaroi Highway. The Namoi Valley is considered to be one of Australia's richest pockets of agricultural land and Gunnedah Shire is also located on one of Australia's wealthiest mineral seams. Gunnedah is a major rural centre and boasts not only a wonderful country lifestyle but a full range of city conveniences. As at 2019, the Shire population was 12,681. The Shire includes the towns of Gunnedah, Breeza, Carroll, Curlewis, Emerald Hill, Kelvin, Mullaley and Tambar Springs.





## Our Elected Members

The Mayor of Gunnedah Shire Council (GSC) is Councillor Jamie Chaffey, and the Deputy Mayor is Councillor Rob Hooke. GSC is composed of nine Councillors elected proportionally as a single ward. All Councillors are elected for a fixed four year term of office. The Mayor is elected by the Councillors at the first meeting of the Council. The most recent election was held on 21 September 2016.



*Back Row, left to right: Councillors Colleen Fuller, Dave Moses, Murray O'Keefe, Owen Hasler, John Campbell and Ann Luke. Seated, left to right: Deputy Mayor Rob Hooke, Mayor Jamie Chaffey and Councillor Gae Swain.*

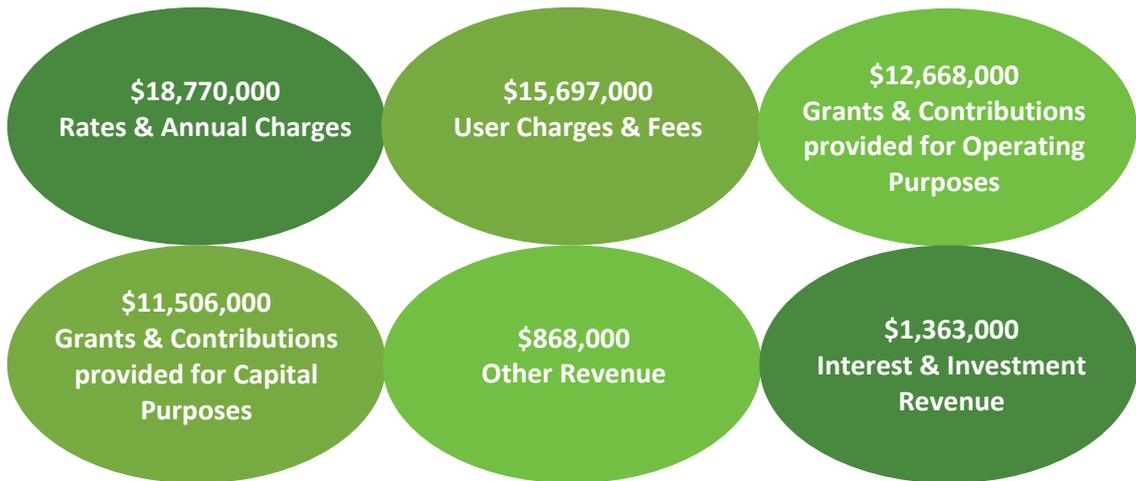
## Our Executive Team



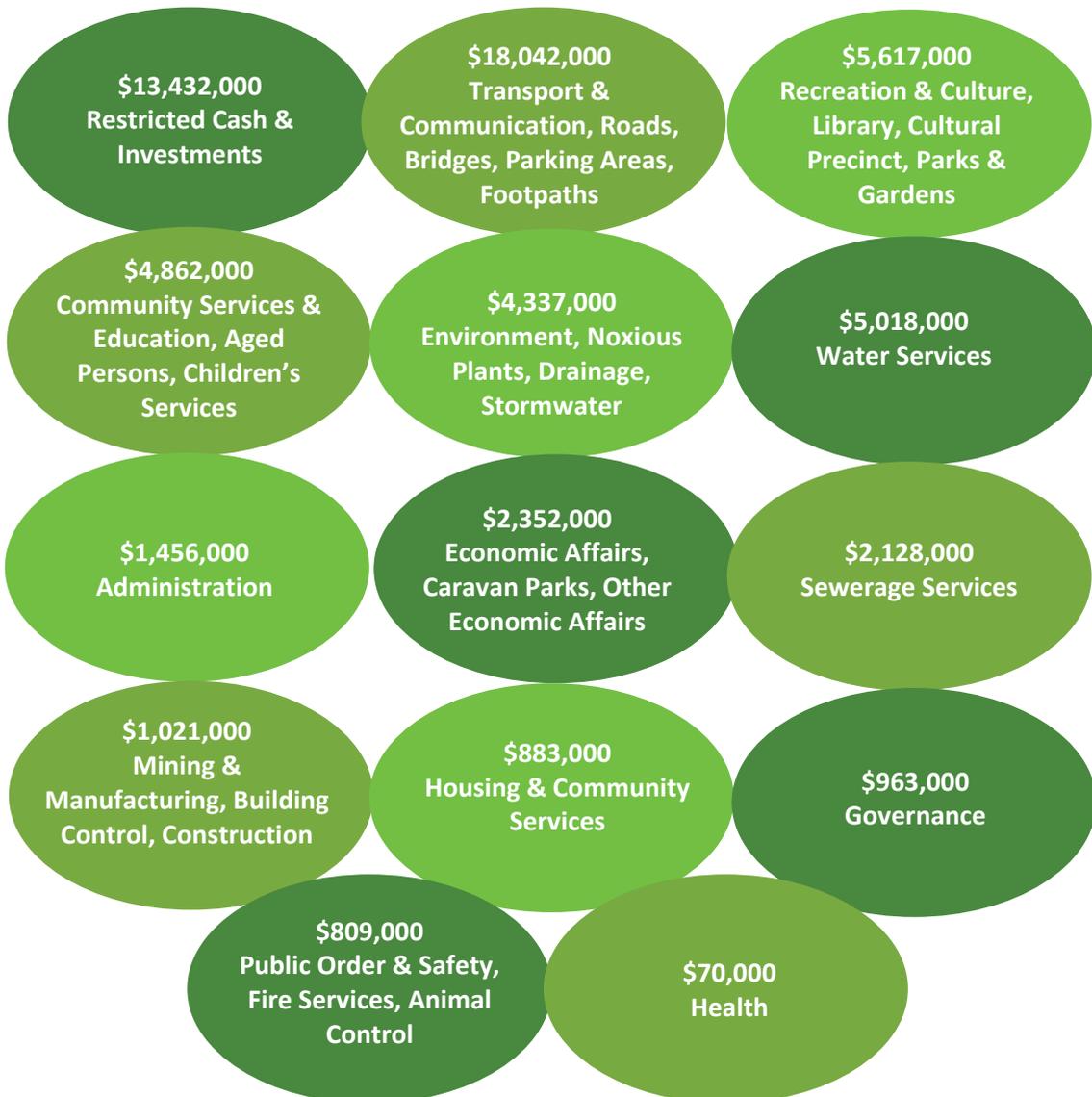
*Back Row, left to right: Daniel Noble (Chief Engineer), Damien Connor (Chief Financial Officer) and Jeremy Bartlett (Director Infrastructure Services). Seated, left to right: Colin Formann (Director Corporate and Community Services), Eric Groth (General Manager) and Andrew Johns (Director Planning and Environmental Services).*



## Where does the money come from?



## Where does the money go?





## What you asked for (theme):



### 1. Engaging and Supporting Our Community

- Community leadership is strengthened and volunteers are engaged.
- Council is a sustainable, ethical and efficient organisation.
- Increased local investment from other sources including the State and Commonwealth Governments as well as developers.
- An engaged community that is involved in the decision making process.
- Strategically managed infrastructure.



### 2. Building Our Shire's Economy

- A growing population and diversified economy.
- Access to our goods, services and markets.
- Increased tourism and promotion of the Gunnedah Shire.
- The Gunnedah Shire is an attractive place to invest.
- Skilled workforce and quality local educational opportunities.



### 3. Retaining Our Quality of Life

- Quality lifestyles and support for our older residents.
- Improved housing affordability.
- Villages are vibrant and sustainable.
- Reduced crime and anti-social behaviour.
- Our younger people are attracted, retained and developed.
- A healthy and active community participating in a diverse range of recreational and cultural activities.
- Improved access to essential services.



### 4. Protecting and Enjoying Our Beautiful Surrounds

- Balance between development and environmental protection.
- Native fauna is secured, biodiversity protected and native vegetation thrives.
- A secure and high quality water supply.
- Our heritage is valued and protected.
- Managed exposure and reduced contribution to climate change.
- Our waste is sustainably managed and reduced.
- Enhanced streetscapes and open spaces in Gunnedah and villages.



## What we achieved:

### Engaging and Supporting the Community

- The Gunnedah Youth Council and local young people were provided opportunities to be involved with a number of community initiatives, including:
  - Volunteering their time to run a number of different fundraising ventures such as the successful stall at NightQuip which included selling LED Light up balloons and homemade soup;
  - Halloween Canteen at the PCYC Halloween Festivities – where young people created, baked, decorated and sold their own spooky treats to raise money for the Scholarship Fund;
  - Two separate movie fundraisers including Star Wars and The Addams Family.



*NightQuip 2019*

- Due to Covid-19, youth activities have been put on hold to a large extent. Investigations into delivering online courses for young people that will be able to be delivered whilst people are still socially distancing have been undertaken and will be developed in the latter part of 2020.

- Council and the Gunnedah Youth Interagency facilitated a meeting for people aged under 25 to participate in with a number of youth agencies representatives in attendance. This forum was an opportunity for industry professionals to hear directly from our youth about their concerns and ideas. The event was filmed as part of Gunnedah's Youth Voices initiative funded by the Department of Family and Community Services.



*Gunnedah students participating in the Luminosity Expo.*

- In October 2019 over forty local women gathered together for a night of inspiration and learning at the inaugural Wellness for Working Women event. The event was a collaboration between local business owners and Gunnedah Shire Council. The event concept was born out of the desire to create a forum for local women to come together, make connections and build a tribe of local women supporting one another. The overarching theme for the evening was building resilience and self belief in business and in life.
- 29 Australia Day 2020 activities were held across the Shire with Council collaborating with local businesses, sporting and community groups with events held in Mullaley, Tambar Springs, Carroll as well as Gunnedah. Events on the day included a triathlon at the Pool, barbecue breakfast hosted by Rotary, church ceremony, citizenship ceremony in Anzac Park, Australia Day Bake-Off, chess tournament, open day at the Water Tower Museum and Dorothea Mackellar Centre and free movie screening at the Civic.



Australia Day 2020 Church Service conducted in Anzac Park.

- Council provided \$3,000 grant funding to support Australia Day Celebrations in Shire Villages and Community Halls.
- In collaboration with local business and organisations, Council offered a full program of events and activities to acknowledge Seniors Week 2020, including: official opening and morning tea at the Smithurst Theatre; performance by the Gunnedah Conservatorium; entertainment and information session hosted by Meals on Wheels; screening of a movie at The Civic; and Flickerfest sessions.
- Funding totalling \$19,742.00 for Council’s Community Small Grants Program was awarded to six local groups: Rotary Club of Gunnedah West; Meals on Wheels; Ooranga Family Mobile Association; Kelvin Hall Committee; Curlewis Country Women’s Association; and Gunnedah Family Support.
- Funding totalling \$19,777.00 for Council’s Sports Small Grants Program was also awarded to five local groups: Gunnedah Rugby Club; Gunnedah & District Pony Club; Gunnedah Netball Association; Gunnedah Motoring Enthusiasts; and Gunnedah Poultry Club.
- A Professional Development Program for Councillors was introduced with three in-house courses delivered during the year, being: Finance; Assets and Tools; and Procurement and Tendering. The three courses were identified following Councillors’ participation in the Office of Local Government’s training portal which assists in identifying consistency with regard to where Councillors feel they would benefit from extra training.

- Completed implementation of the Gunnedah Shire Council Vendorpanel portal in conjunction with Namoi Unlimited with preparations included community engagement, launch to the Chamber of Commerce, scheduled supplier training sessions and in-house training scheduled. This procurement portal will result in more money being spent with local Gunnedah suppliers as well as regionally within the Namoi Unlimited catchment.

**\$19,742**  
in Section 356 funding was  
distributed to 6 community groups

**\$19,777**  
in Section 356 funding was  
distributed to 5 sporting groups



Council staff assisting with the spider lift to replace lights and curtains in The Civic.

- Eight Gunnedah Shire community groups benefited from more than \$20,000 in grants in the Gunnedah Shire Council Arts and Cultural Grants Fund. Projects as diverse as a jazz afternoon, workshops and resources for a youth choir were approved for funding under the Program:
  - Arts Gunnedah \$4,920 – 50th Annual Art and Ceramics Exhibition;
  - Gunnedah Conservatorium - \$4,368 – youth projects including the youth choir and video and sound recording equipment;
  - Winanga-Li Aboriginal Child and Family Centre - \$1,224 – for a mural installation;



- Gunnedah Eisteddfod Society - \$20,000 – for the Eisteddfod Enrichment Program bringing teachers to remote villages;
  - Two Rivers Arts Council - \$2,000 – jazz afternoon with markets and food;
  - Gunida Gunyah Aboriginal Corporation - \$3,805 – arts and cultural activities;
  - Blackjack Camera Club - \$1,067 – transportable projector and screen; and
  - Gunnedah Pottery Club - \$1,000 – workshops.
- Council made a submission to the Independent Pricing and Regulatory Tribunal regarding the potential benefits and impacts that would result if the recommendations contained within the Review of the Local Government Rating system were adopted in full by the Office of Local Government. The recommendations within the report were drafted to promote a stronger and more sustainable rating system that would benefit ratepayers and Councils.

284

Resolutions endorsed by Council

44

Resolutions endorsed in Closed Council

- Councillor representatives attended the LGNSW Water Management conference in Albury, with the annual event providing an accessible forum for debate and discussion on water supply and broader water management issues.
- The Mayor and Council staff attended the 2019 National Local Roads Congress, with the conference providing valuable information with regard to transport services.
- Council negotiated the acquisition of a strategically identified property in Conadilly Street. The property is adjacent to the Smithurst Theatre and will allow for increased flexibility in the planning of a new, revitalised Cultural Precinct.

- The Child, Young Person and Vulnerable Person Protection Policy was endorsed by Council and ensures compliance with current State and Federal Government child protection legislation and to protect children, young people and vulnerable people in the community. Now this policy has been endorsed, Council is enabled to be a recipient of Creative Kids Vouchers.
- Following community consultation and exhibition, Council adopted the Community Participation Plan. The Plan is a requirement of the Environmental Planning and Assessment Act 1979 and outlines how and when Council will undertake community participation when exercising its planning functions, and is designed to make participation in planning clearer for the community by setting out in one place, the way the public can become engaged in the planning system.
- The adoption of the Community Participation Plan resulted in a change to Development Control Plan 2012 in relation to requirements for notification of specific development types to neighbours with the outcome being the removal of an advertising fee for the proponent.
- The Voluntary Planning Agreement – Vickery Extension Project was endorsed by Council. The Agreement provides for the payment of: \$500,000 on the grant of development consent for the Vickery Extension Project; \$500,000 on the mine construction commencement date; and a percentage per tonne of product coal during a financial year.
- Following the presentation of an independent road safety audit of Conadilly Street to Transport NSW, Council was awarded \$160,000 in funding from Transport NSW's Centre for Road Safety to extend the high pedestrian activity zone in the Gunnedah Central Business District.
- Council awarded two local businesses \$13,000 under the Sister Cities and Friendly Relationships Program:
  - Two Cats Creative – project to exhibit the Sirens of Gunnedah at the Gallery Lane Cove; and
  - St Mary's College – excursion to sister school, Chunxiao Middle School, Ningbo, China.
- Council engaged three apprentices in 2019/20, with two in Parks and Gardens studying horticulture and one at the Depot studying heavy plant mechanics.



- A number of efficiencies and improvements were identified in the regular review of the Business Continuity Plan (BCP). These amendments were implemented with the BCP framework finalised prior to COVID-19 and the requirement to activate the BCP Response Strategy across the organisation.
- Council implemented the Response Strategy to COVID-19 in March, and immediately:
  - Authorised the freezing of accrual against rates, fees and charges that were outstanding, with this to be enacted for the duration of the response to COVID-19;
  - Authorised the departure from the Debt Recovery Policy and ceased the escalation of any outstanding accounts for formal recovery process for the duration of the response to COVID-19;
  - Authorised the waiving of fees and charges in exceptional circumstances where it is determined safer to provide a service free of charge.
- All financial statements completed, audited and lodged with the Office of Local Government and other reporting agencies, and along with all other statutory returns were lodged within timeframes without exception.
- An upgrade of Clifton Road worth almost \$10million commenced after Council's application for a NSW Government Contribution was approved. \$8,563,986 funding towards the project was awarded through the Fixing Country Roads Program, with the project including upgrading and sealing of 1.35km of Clifton Road, widening of 5km of the route and replacement of the bridge at Maitland Street in Breeza.
- Maintenance grading works undertaken on the following roads: Pullaming, Milroy, Orange Grove, South Ghoolendaddi, Gibson, Box Forest, Bulga, Gibbons, Pine Clift, O'Briens, Parnell, Grain Valley, Normans, Prairies, Trinkey Forest, Mystery, Curlewis Common, Babbinboon, Long Mountain, Pullaming, Quia Station, Norris, Long Arm, Voca, Goscomb, Cull Roads and Green lane and Courts Lane.
- Changes have been made to quarry management over the last 12 months. These changes include improvements to administration, financial management, and production practices, and have resulted in an increase in material quality and consistency along with a reduction in the unit rates for the supply of material.
- Stormwater drains cleaned and flushed in Rodney, George and Warrumbungle Streets.

- Reseal and resurfacing of rural sealed roads including: Wandobah Road, Goolhi Road, Quia Road, Goran Lake Road and Blue Vale Road.
- Reconstruction of pavement overlay and strengthening, shoulder widening and primer seal completed on Black Stump Way.

**40,996**

Documents were registered into ECM system

**27**

New employees participated in corporate inductions

**2,453**

Requests for assistance from the IT Team were lodged and processed

**471**

Boxes of documents destroyed in accordance with the State Records Act

- Kerb and gutter works completed include:
  - Defected kerb and guttering replaced in Bloomfield Street (Marquis to Tempest Streets) including replacement of existing subgrade to build a stronger foundation.
  - Removal of defected kerb and installation of strengthened pavement and new kerb on Kamilaroi Road.
  - Excavating for new kerb from Rosemary to Warrabungle Streets completed.
  - Kerb returns renewed at Tempest Street intersection.
  - Conadilly Street kerb renewed from Carrol Street to Stanley, (Old BP depot side) with pavement works to follow with roundabout pavement.



- A Masterplan for the Saleyards was developed which looks at both the short and longer-term phases to keep the saleyards at the top of its game. The Masterplan went on public exhibition seeking community input and recommends a number of significant infrastructure projects including: removal of the sheep yards; relocation of the canteen and carpark; technology improvements; lighting; ramp upgrades and security fencing; yard reconstruction and expansion; and a truckwash. The industry is continuing to change, and planning ahead means we will be well placed to not only adapt, but to take advantages of the opportunities this could present for Gunnedah. The Masterplan is the result of community and stakeholder consultation, economic and industry research.
- Completion of the installation of 4,500 new water meter devices across the Shire was completed in September 2019, with the first water notices issued. Fully funded by Council, new devices will be a useful tool for both Council and residents to more accurately monitor water usage and identify issues, such as leaks, faster. The data collected from the devices, such as daily and target usage, as well as cost per day will be a great asset to allow Council to better monitor peak demand and plan for water upgrades, as well as be notified if the water meter devices are tampered with. The automatic water meter devices replace existing meter devices and need to be installed by hand on every property with access to town water. The data will also be used for billing purposes.
- With the closure of the Library due to COVID-19, Library staff adapted to the constraints and developed COVID Activity Bags with 1,292 bags delivered to children aged 7-12 years and 326 to children aged 13 years.
- Major upgrade works were completed on the South Street Water Storage Reservoir, including: the installation of an internal ladder; complete replacement of the roof structure; installation of a security fence; coating of the internal walls; and upgrade to the workplace safety of the site.
- Council received NSW Government endorsement to go ahead with its preferred option for a centralised fluoridation dosing system. Council approved the introduction of fluoridation to the Gunnedah town water supply in December 2017 and subsequently presented a case to the State Government to meet the costs of a new centralised fluoridation dosing system instead of making use of the current three-dosing point system for the introduction of fluoride. The NSW Ministry of Health confirmed it would meet the costs of a centralised fluoridation dosing system including a new chlorination system and pumping station. A centralised system will mean improved water quality outcomes, better water management, and will minimise the ongoing costs. A Council-owned site on Kelvin Road reserve for the new plant has been identified.



*Library staff rewarded for Bookend Program.*

- Major internal refurbishment and fitout completed in at the Library, including new carpet throughout.
- Library staff presented a resume writing workshop at the Australian Library and Information Association New Technique symposium, an electronic resources platform was purchased for audio books, electronic books and magazines.



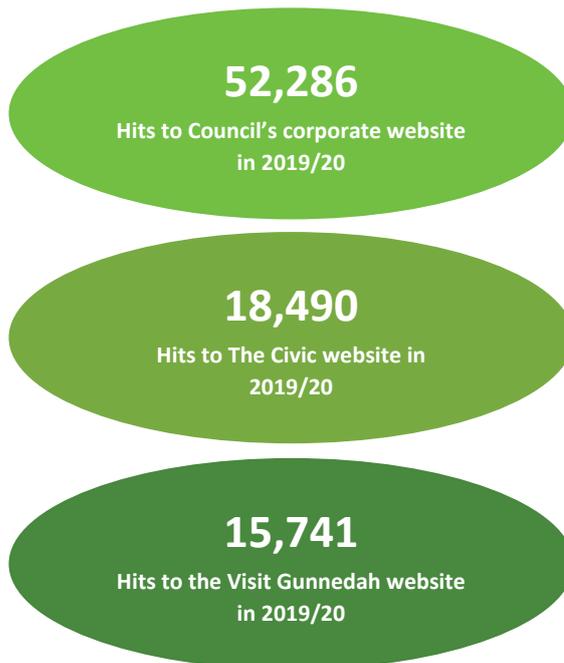
*Works being completed on the South Street Reservoir.*



- A comprehensive review of Council’s policies in relation to debt recovery and hardship were undertaken in order to identify the strengths and challenges associated with the implementation of these processes and align with the Office of Local Government’s Debt Recovery Guidelines. The Debt Recovery Policy provides for efficient, effective and transparent collection of monies owing, and the Hardship Policy identifies guidelines for the assessment of hardship applications applying the principles of social justice, fairness, integrity, appropriate confidentiality, and compliance with relevant statutory requirements.
- Work commenced on a major upgrade to Grain Valley Road, a significant transport route that links the Gunnedah and Narrabri Shires. 17km of the Grain Valley Road would be sealed for the first time through \$3.8 million each from the Australian Government’s Heavy Vehicle Safety and Productivity Program and the NSW Government’s Restart NSW Fixing Country Roads Program, with Council providing additional funding. The project will greatly improve safety, cut down on wear and tear on vehicles, and secure a more reliable freight and domestic traffic link between the Mullaley and Boggabri townships.
- The extension of the water main in McCall’s Road was completed, with the extension providing an essential link of the Gunnedah town water supply network by loping trunk mains in Farrer Road, Ross Road, Blackjack Road, Oxley Highway and Hunts Road to the network at Wandobah Road. The main was extended 1529 metres from Wandobah Road to Hunts Road.
- Council accepted \$211,750 on a 50% co-contribution basis towards the South street Cycleway project under the Transport NSW Active Transport Program.
- Design and construction of a water main through Mornington Heights subdivision was completed, with the new main relieving pressure on the Wandobah Pump Station and allowing water connection restrictors to be removed in the rural residential area.



*Boundary Road Roundabout completed by Council staff.*



- Ongoing maintenance to the Shire’s water services to ensure effective and efficient delivery of water, including:
  - Replacement of faulty stop valves completed in View and Bando Streets.
  - No 9 Bore repaired following vermin damage.
  - No 3 bore equipment serviced.
  - New pressure reduction valve installed at South Street Reservoir.



## Building our Shire's Economy

- Council responded to the call to strengthen the community during the challenging time in the Shire due to drought through the Community Resilience Program. The Program consisted of seven key objectives: deliver economic stimulus to the local economy; provide local employment and support local purchasing; address water and other utility conservation; sustain the community social fabric, health and wellbeing; provide a public benefit and lasting legacy, strengthen long-term community resilience; and support and co-ordinate efforts with others (government and non-government). The two main actions within the Program were funding for community grants that met the objectives, and the establishment of a temporary Council workforce. Council will revisit unfunded projects that were submitted through the Drought Communities Program to see whether they meet the criteria.
- The objectives of the Community Resilience Program are defined as:
  - Deliver economic stimulus to the local economy;
  - Provide local employment and support local purchasing;
  - Water and other utility conservations;
  - Sustain the community social fabric, health and wellbeing;
  - Provide a public benefit and lasting legacy;
  - Strengthen long-term community resilience;
  - Support and coordinate efforts with others (government and non-government).
- Council also formed a temporary workforce that recognised that many people, including farmers, farm workers, suppliers and employees in related industries, have had their regular income affected by the ongoing drought conditions. The work provided income across a diverse range of locations and jobs, and also provided an opportunity for people to learn new skills and new qualifications through a partnership with Training NSW. A program of projects that will deliver long-term benefits was developed and included projects such as tree planting, fencing, tree maintenance, footpath building and painting. The workforce was designed to provide flexible hours which were capped to spread the opportunities among participants.



*Participant of the Farmer Army undertaking maintenance at the Memorial Cemetery.*

- Council launched Localised, an online business network provides businesses with greater access to local opportunities and increase their visibility by building connections with fellow business owners and new customers. The platform is free and benefits include: access to a library of resources and articles by local business experts; opportunities to attend networking and professional development events in Gunnedah Shire; free listing on the local business directory; and access to an online community noticeboard where local businesses can collaborate and share positive news stories.



- Council introduced a new business support initiative to help local businesses optimise their online presence during the COVID-19 pandemic. In partnership with Tourism Tribe and Destination country and Outback NSW, Council offered businesses in Gunnedah Shire free online training targeted at enhancing local businesses' digital marketing platforms.



- Council resolved in principle support for the establishment of a Campervan and Motorhome Club of Australia (CMCA) Recreational Vehicle Park in Chandos and Maitland Streets. The facility is specifically for self contained vehicles and with the exception of a single caretaker site, there are no formal sites, helping cater to a wider range of vehicles. The park will add to the region's tourist credentials and draw a new visitor demographic to the Shire.
- Gunnedah Shire received \$1,430,305 from the NSW State Government Resources for Regions program as acknowledgement of the contribution mining makes to the economy of the region. The funding was utilised for economic infrastructure including roads, rail, facilities that improve the movement of freight, airports, local water and sewerage projects. It was also invested in recreational facilities, childcare centres and other infrastructure related to the delivery of community services.
- Councillor representatives participated in the Sustainable Economic Growth for Regional Australia Conference held in Barooga. The Conference provided a meeting place for regional, rural and remote Australia to discuss the key issues facing regional Australia and workshop what can be done at national, state and local levels to further drive sustainable regional economic development.

26

Local businesses allocated Business Partner Program funding

\$50,450

Allocated to local business via the Business Partner Program

- Application fees for all street trading and footpath dining were waived and the NSW Outdoor Dining Policy adopted. Following identification of an increased downturn in the Gunnedah Shire economy, discussions were held with community and business operators in order to identify an opportunity to increase their trade whilst reducing costs, with the program and adoption of the NSW Policy resulting in an easier process for local businesses to encourage their customers to enjoy an outdoor dining experience.

- Council provided in kind and financial support to the first NightQuip event to encourage locals and visitors to support the business community by shopping in town as well as giving the wider community a reason to spend time together along with their families and friends. The hugely successful event with over 23 retail stores extended their trading hours, 10 food outlets in operation, 44 market stalls set up in Conadilly Street and busking groups entertaining the crowds.



*Recipients of funding under the Business Partner Program.*

- Progress has been made on the Gunnedah Koala Park joint venture with CaPTA Group. Delivery of the design and construction components is well underway, and the operation of the park under a lease arrangement by CaPTa is being finalised. CaPTA Group has extensive experience in the tourism industry and has developed a number of international attractions. They have also been involved in the operation of a wildlife hospital coupled with a tourist attraction. The selection of an appropriate location has been finalised, with the Farmers and Graziers land next to Balcary Park on the Oxley Highway chosen following extension investigations, with this location providing extensive elevated views across mountains and farmland and the vegetation on site is a mix of established and mature koala tree species and scrubland.
- Councillor representatives attended the LGNSW Tourism Conference 2020 in Jindabyne, with the annual event providing an opportunity for Council to obtain valuable up to date strategies on tourism initiatives which will assist in reviewing strategic direction.
- Following extensive community consultation, Council endorsed the Gunnedah Shire Community Workforce Plan. The Plan aims to assist in diversifying the economy by providing training opportunities to diversity the skill set of residents and will deliver a skilled workforce and quality local educational opportunities by supporting:



- Learners to gain the skills they need to access opportunities;
- Job seekers accessing opportunities;
- Industry training to allow them to recruit locally; and
- Training providers working collaboratively to develop local skills.
- The Spirit of Christmas Fair was a resounding success with stallholders, performers, not for profit organisations and the community sharing in an event that boosted spirits and gave local businesses much needed patronage and exposure. The Chamber of Commerce worked tirelessly with a great deal of commitment to ensure that the event focussed on bringing together the community in a fun and engaging way with Council providing financial and in-kind assistance.

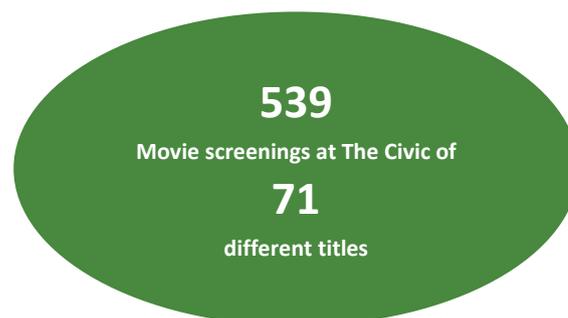


2019 Sprit of Christmas Fair

- Council provided financial support to 26 Gunnedah Shire businesses under the Business Partner Program in 2019/20. Following an application and evaluation process, various projects were successfully selected which provided funding to businesses to prepare business planning and expansion, website design, renovations, infrastructure upgrades, rebranding, advertising and setup costs.



- The Investment Prospectus and associated collateral were endorsed following the completion of a detailed economic analysis of Gunnedah Shire. The Prospectus demonstrates Gunnedah’s key location in the thriving agriculture sector of the Liverpool Plains and is also rich in coal and natural gas reserves. The document also highlights the opportunities for further expansion to bring significant investment to the Shire and job opportunities. The ‘Invest in Gunnedah’ is part of a marketing campaign to:
  - Attract skilled workers to Gunnedah;
  - Showcase the diversity of job opportunities;
  - Build awareness of Gunnedah’s economic diversity;
  - Demonstrate successful business; and
  - Highlight opportunities for working and setting up in Gunnedah.





## Retaining Our Quality of Life

- An innovative Cultural Precinct Masterplan was developed following an extensive community consultation process. The blueprint for the Precinct includes the Town Hall, Smithurst Theatre, Civic Theatre, Bicentennial Creative Arts Centre, Visitors Information Centre and the empty block of land next to the Smithurst Theatre. The Masterplan includes a concept which sees significant changes, including a relocation of the library to the Precinct, replacement of the current Smithurst Theatre with a Smithurst Hall, a community courtyard space and a new façade that complements the iconic Town Hall.
- Council provided support of the Gunnedah Rural Museum following proposed changes to the NSW Firearms Regulation which would have significantly impacted the Museum's large private owned firearms collection and their ability to showcase this centrepiece of their collection.
- Multicultural Gunnedah was established to provide support to migrants in a range of areas including education, housing, employment and language difficulties. The volunteer group also provides a link for people with similar stories and helps promote harmony and inclusion in our Shire.
- Council extended a welcome to new residents at a Welcome to Gunnedah stall at the markets in Wolseley Park. New residents were invited to stop by and collect a goodie bag, which featured a new resident kit and other information about local services and community groups.
- On behalf of the community, Council lobbied the State Government to progress funding for the planning and construction of the new Gunnedah Hospital and the sealing of Rangari Road.
- Facility hire fees were waived for the conduct of flu clinics in the Showground to ensure that the community was provided the opportunity to receive a vaccination with minimal people contact.
- Two concrete burial beams were constructed at the Gunnedah Memorial Park Cemetery to cater to growth of service requirements.
- Upgrade to the irrigation system at Donnelly Fields following identification of repairs required to ensure efficient and effective water flow and the increase in dry areas across the field.
- Curlewis Hall air conditioning upgrade with the installation of two reverse cycle units in the hall kitchen.
- A Community Safety Conference Working Group was established to coordinate a conference targeted at local government, service providers and practitioners in the community safety and crime prevention field.
- The Alcohol Free Zone declaration in relation to Conadilly Street was extended for a further four years to 2024.
- The Showground Working Group was re-established following the transition from Reserve Trust Management to Crown Land Management in accordance with the Crown Land Management Act 2016. The Act changes the way Crown Reserves, such as the Showground, are managed. To maintain communication with the Showground User Groups, the Working Group will consist of a representative from each user group of the reserve and advise Council on key aspects and provide community perspective on key considerations for the Showground and b a sounding board for project deliverables.
- 20 applications were received for funding under the Community Scholarship Fund, with the recipients undertaking study in:
  - 7 studying business, economics, law and management;
  - 4 studying health services;
  - 3 studying communications, arts or humanities;
  - 3 studying education;
  - 2 studying agriculture; and
  - 1 studying engineering.
- In 2019 Arts Gunnedah celebrated the 49<sup>th</sup> Annual Arts and Ceramics exhibition. The exhibition opened in August with 85 guests and continued for two weeks with 175 visitors to the gallery. Artists from the local area, North West, Newcastle and the South Coast entered pieces in to the exhibition in what was a colourful display of talent. The outstanding success of the opening night, which was planned and run by Arts Gunnedah volunteers, is a tribute to their dedication.
- Project plans finalised for the replacement of The Civic Theatre seating and an upgrade to the candy bar.



*Arts Gunnedah 49th Annual Arts and Ceramic Exhibition held in the Gallery, August 2019.*



- Civic Theatre lighting renewal project was completed, resulting in the lighting in the auditorium replaced which will require minimal ongoing maintenance into the future.
- A structural engineer was engaged to provide a full report in relation to the condition of the Town Hall façade, roof, undertake concrete ultrasounds and some minor excavation of footings to diagnose any issues to ensure the building is maintained to a satisfactory standard.

**24**

Applications received for  
Gunnedah Scholarship Funding

**\$19,250**

Awarded to Scholarship recipients

**40**

Requests from Police for CCTV  
footage lodged



## Protecting and Enjoying our Beautiful Surrounds

- The construction of the Rainbow Serpent at the front of the Civic was completed, with the finished water feature 9.2m long and highlighting Gunnedah’s connection to the river, local fauna and flora. This project recognises the integral and important role of indigenous heritage in our Shire and is recognised as a meeting place to share stories. The feature incorporates mosaic tiles made over a six year period by a dedicated group of local indigenous women.



*Turning the first sod for construction of the Rainbow Serpent water feature.*

- A bulky waste day was held to assist in improving management of the Shire waste better by engaging and supporting the community needs through offering a free service to assist residents dispose of larger items, and to encourage residents to properly dispose of bulkier items and to combat illegal dumping.
- The development of a Shire wide Open Space Strategy commenced with significant community consultation undertaken to date. The Strategy will: identify status/standard of each open space area and its elements; determine ideal standard and service levels; maintenance programs; identify future demand and opportunities; provide best practice planning and design guidelines; and identify areas that require improvement or redevelopment. An extensive community consultation process commenced with the Strategy anticipated to be delivered late 2020.
- Council entered into a single source supply contract for the disposal of used mattresses received at the Gunnedah Waste Management Facility. Prior to this contract arrangement, mattresses were disposed to landfill for burial, however this was a problematic waste stream. The contract has resulted in recovery and recycling of valued components of the used mattresses and diversion of waste from landfill.

- Council recognised that charitable organisations provide the community with significant social benefits, while helping to divert valuable resources from being sent to landfill. By providing these services, the charities are often burdened with the costs of disposing of illegally dumped, unusable waste items deposited in charity bins. Therefore, Council endorsed the Exemption from Charges for Non-for-Profit Charities Policy which eliminates waste fees applicable for waste disposal at the Gunnedah Waste Management Facility.
- To protect the interests of Gunnedah ratepayers, the Waste Generated Outside Gunnedah Shire Council Local Government Area Policy was adopted. This Policy prohibits wastes generated outside of the Gunnedah Local Government Area being disposed of at the Gunnedah Waste Facility to ensure:
  - Waste depots and transfer stationers are for the exclusive use of residents of Gunnedah;
  - To minimise the social, environmental and economic costs of waste management to Shire residents and ratepayers; and
  - To exclude Gunnedah as an option for the disposal of waste generated outside the Shire, thereby prolonging the life our landfills.



*2019 Waste into Art opening in the Gallery of the Creative Arts Centre.*

- Council adopted the Water Usage Charge Reduction Requests Policy which provides for special dispensation requests to Council for leniency if customers are experiencing difficulties following high water consumption charges as a result of unidentified leaks.





- The Future 2040 – Gunnedah Shire Local Strategic Planning Statement was endorsed. An extensive community consultation program was undertaken over a three month period via a variety of methods to ensure the wider community was given the opportunity to provide input. This significant document forms the basis for:
  - Strategic planning in the area, having regard to economic, social and environmental matters;
  - Planning priorities for the area;
  - Actions required for achieving those planning priorities; and
  - Monitoring and reporting on the implementation of the actions within the document.
- Council contributed \$15,600 to the Gunnedah Jockey Club to assist with operational costs.
- Council was awarded funding under the State Government Stronger Country Communities to undertake significant upgrades to the Showground facilities, including:
  - The Showground main arena lighting and public address system were upgraded;
  - The manufacture, supply and installation of a new amenities block in the Showground was completed;
  - Demolition and earthworks to the current Showground rodeo arena and installation of a newly constructed rodeo arena.
- A detailed analysis of electricity consumption for Council sites including a review of site factors related to installation and management of renewable energy infrastructure was undertaken. The resultant Action Plan details suggested activities in relation to energy efficiency, solar, hydro, bioenergy, transport and storage that will result in benefit/cost savings across the organisation.
- Alligator Weed inspections treatment for Honey Locust undertaken along the Namoi River from the Peel River junction to Narrabri boundary.
- Inspections undertaken of grain handling sites, nurseries and rural outlets.
- Completed St John's Wort inspections in Mullahey and Tambar Springs. Manned weed stand on the North West Local Lands Service site at Ag-Quip.
- Tree trimming in Conadilly Street undertaken and new plantings completed in Maitland Street.
- Trees in various locations across the Shire trimmed for improved vision.
- Carroll tree avenue and entrance to Gunnedah in establishment with regular watering.
- Tree planting program undertaken in Wandobah Reserve.
- Playground equipment and soft fall installed at Ken Green Park and an upgrade to the park surrounds.
- Installation of park bench and plaque at Kitchener Park to honour the memory of local sporting enthusiast.
- Bollard installed at the netball courts on Longmuir Fields to secure the fields from vehicle damage.
- Concrete boarder constructed on long jump sandpits at Donnelly Fields, as well as seating along the fence.
- Repairs completed on the Wolseley Oval scoreboard.
- Ongoing maintenance including mowing of Kitchener Park, Wolseley Oval, Donnelly Fields, Longmuir, McAndrew.
- \$15,600 financial contribution provided to the Gunnedah Jockey Club to assist with operational expenses.
- The Gunnedah Waste Management Facility operations for 2019/20 included:
  - 1,992 people visiting the Bower Bird shop;
  - 1,246 trucks over 1 tonne disposing of waste;
  - Averaged 97 customers per day;
  - 35,217 people delivered waste to the facility;
  - 4,798 tonnes of bricks and concrete was disposed of; and
  - 9,892 tonnes excavated natural materials disposed of.

# 2019/20 Council Resolutions

RESOLUTION SUBJECT	RESOLUTION ACTION
COUNCIL RESOLUTION 15/07/20 - Community Resilience Fund - COVID-19 Business Recovery Package - Invigorate Gunnedah	Community Resilience – COVID-19 Business Recovery Package – Invigorate Gunnedah adopted, with \$600,000 and \$3,500 allocated to implement the package.
COUNCIL RESOLUTION 15/07/20 - Porcupine Reserve	Porcupine Reserve Management - GSC staff work closely with Liverpool Range RFS who provide assistance and guidance.
COUNCIL RESOLUTION 15/07/20 - Rescind Report - Dedication of Land Under the Roads Act 1993	That Council rescind Motions 1, 2 and 3 of Report – Dedication of Land under the Roads Act 1993 (Resolution 13.07/17).
COUNCIL RESOLUTION 15/07/20 - Local Government Remuneration Tribunal	Local Government Remuneration Tribunal determined that there will be no increase in Mayoral and Councillor fees for the 2020/21 financial year and the Tribunal determined that Gunnedah Shire Council be categorised as Rural.
COUNCIL RESOLUTION 15/07/20 - Gunnedah Airport - Pavement Inspection - Lapsed	Gunnedah Airport - Pavement Inspection – Lapsed
COUNCIL RESOLUTION 15/07/20 - Northern Regional Planning Panel	Northern Regional Planning Panel - Mayor appointed as Council’s member and remuneration for attendance is \$300 per meeting plus travel and sustenance. Councillor Luke nominated as alternate to the Mayor. Director Planning and Environmental Services nominated as Council’s Technical nominee and the Team Leader Building and Strategic Projects nominated as alternate to the Director Planning and Environmental Services.
COUNCIL RESOLUTION 15/07/20 - Mayoral Minute - NSW Electoral Commission Redistribution	Submission to NSW Electoral Commission that the Gunnedah Local Government Area remains in the Tamworth Electorate.
COUNCIL RESOLUTION 15/07/20 - Disability Lift - Gunnedah Memorial Pool	\$8,000 to purchase a new Disability Access Lift for the Gunnedah Memorial Swimming Pool
COUNCIL RESOLUTION 15/07/20 - Gunnedah Library Door Replacement	\$6,609.09 to fund replacement of automatic entry door at the Gunnedah Library
COUNCIL RESOLUTION 15/07/20 - 2020 LGNSW Water Management Conference	2020 LGNSW Water Management Conference to be attended by Councillor J Campbell from 6 – 8 October 2020 in Narrabri.
COUNCIL RESOLUTION 15/07/20 - Gunnedah Jockey Club - Grant Co-Contribution Request	\$15,000 from Council’s Reserve Management Fund, as a co-contribution for the Gunnedah Jockey Club’s application in the Crown Reserves Improvement Fund.
COUNCIL RESOLUTION 15/07/20 - <b>Closed Item</b> - Tender A2019/64 - Northern Inland Regional Waste Tender for Greenwaste Processing	General Manager authorised to execute contract to appoint Davis Earthmoving and Quarrying for period 16/07/20 to 30/06/22 for Greenwaste Processing. Provision of 12 month extension of contract through to 30 June 2023.
COUNCIL RESOLUTION 15/07/20 - GoCo Fees and Charges 2020/21	GoCo Fees and Charges 2020/21
COUNCIL RESOLUTION 15/07/20 - Postponement of September 2020 Local Government Elections	Postponement of 2020 Local Government Elections, 2021 Local Government Election to be held on 4 September 2021. Revised Ordinary Meeting schedule adopted from September 2020 up until August 2021.
COUNCIL RESOLUTION 15/07/20 - Request for Assistance - Gunnedah Eisteddfod Society	\$400 to Gunnedah Eisteddfod society towards the cost of entry fees to enter Regional and Cultural Sections of the Australian Events Awards and Symposium.
COUNCIL RESOLUTION 15/07/20 - Capital Rollover - Donnelly Fields Irrigation	\$26,000 for Donnelly Fields Irrigation Capital Works Project rollover to 2020/21 financial year.
COUNCIL RESOLUTION 15/07/20 - <b>Closed Item</b> - Dorothea Mackellar Memorial Society	Dorothea Mackellar Memorial Society Lease and Financial Contribution
COUNCIL RESOLUTION 15/07/20 - Alteration to Capital Expenditure Phasing - Delivering Renovate and Fit Out Small Plant Shed from 2021/22 to 2020/21	Rescheduled Capital Works funding to “Renovate and Fit-Out Small Plant Shed (Upgrade)” from 2021/22 to 2020/21 for \$50,000.

COUNCIL RESOLUTION 15/07/20 - Loading Ramp - Lot 7035 DP10029310 - View Street	Loading Ramp - Lot 7035 DP10029310 - View Street
COUNCIL RESOLUTION 15/07/20 - Regional Airports Program - Co-contribution	\$198,000 grant funding under the Federal Government's Regional Airports Program was endorsed by Council and Council allocate \$198,000 from General Fund Unrestricted Cash as a co-contribution by bringing forward the works identified for the airport in the 2021/22 and 2022/23 years of the long term financial plan.
COUNCIL RESOLUTION 15/07/20 - Section 356 Small Grants (Community and Sports)	Donation of \$29,602.22 to community groups through Council's Section 356 Small Grants Program, with \$16,106.55 spread between 6 Community Organisations and \$13,495.67 between 3 Sporting Organisations.
COUNCIL RESOLUTION 15/07/20 - <b>Closed Item</b> - Expression of Interest - Preferred Supplier for Personal Protective Clothing as per Quote Q1920-02	Personal Protective Clothing preferred Supplier endorsed for a period of 2 years with the option of a further 12 months at the end of the period, the supplier being Stripes Asset Services Pty Ltd.
COUNCIL RESOLUTION 15/07/20 - 2020 National Local Roads and Transport Congress - Delegates Report	2020 National Local Roads and Transport Congress - Delegates Report
COUNCIL RESOLUTION 15/07/20 - Revote Capital Funds - Economic Development Strategy and International Strategy	Revote of 2019/20 Capital works budget allocation for Economic Development Strategy (\$60,000) and International Engagement Strategy (\$20,000) to the 2020/21 financial year.
COUNCIL RESOLUTION 24/06/20 - <b>Closed Item</b> - Gunnedah Koala Park	Gunnedah Koala Park - Accept the terms offered of a binding contract for the Gunnedah Koala Park by CaPTA and take on increased risk
COUNCIL RESOLUTION 24/06/20 - Heavy Vehicle Safety and Productivity Program - Kelvin Road	Kelvin Road Upgrade – allocation of \$540,455 as co-contribution, if the grant submission is successful through the Heavy Vehicle Safety and Productivity Program
COUNCIL RESOLUTION 24/06/20 - Council Position - Whitehaven Coal Vickery Extension Project - Development Application SSD7480	Council supports the Vickery Extension Project (DA SSD 7480) and that Council present this at the IPC Hearing 2-3 July 2020.
COUNCIL RESOLUTION 24/06/20 - 2019/20 Capital Rollover - Wandobah Reserve Fencing	\$166,935 from 2019/20 capital works allocation rollover to 2020/21 for the Wandobah Reserve Fencing Project
COUNCIL RESOLUTION 17/06/20 - 2019/20 Capital Rollover - Gunnedah Impound Facility Upgrade - Design Phase	\$80,000 from 2019/20 Animal Control Capital Works rollover to 2020/21 for the Gunnedah Impound Facility Upgrade – Design Phase
COUNCIL RESOLUTION 17/06/20 - 2019/20 Capital Rollover - Town Entrance Tree Avenues	\$36,859 being remaining balance from 2019/20 capital works budget rollover to 2020/21 for Town Entrance Beautification (Tree Avenues)
COUNCIL RESOLUTION 17/06/20 - Sister Cities and Friendly Relationships Program	Sister Cities and Friendly Relationships grant funding of \$5,000 to Two Cats Creative (Sirens of Gunnedah exhibition Lane Cove) and \$8,000 to St Marys College (Excursion to Ningbo China) Two Working Group members to attend the opening of the Sirens of Gunnedah exhibition in Gallery in Lane Cove Support attendance of Gunnedah Shire Band, pending availability, at a thank you event in Lane Cove to show Gunnedah's appreciation for the support received from our Sister City during the drought.
COUNCIL RESOLUTION 17/06/20 - Electronic Event Sign	<i>Defer decision to July Council meeting</i>
COUNCIL RESOLUTION 17/06/20 - <b>Closed Item</b> - Tender T1920-28 - Rodeo Arena Fabrication and Installation	Showground Rodeo Arena Construction awarded to BP Crane Contracting for the lump sum of \$190,200 (ex gst)
COUNCIL RESOLUTION 17/06/20 - Investment Prospectus - Invest in Gunnedah	'Invest in Gunnedah' Investment Prospectus and associated material adopted for the purpose of encouraging economic growth and diversification.
COUNCIL RESOLUTION 17/06/20 - Sale of Property - 61 Lincoln Street	Sale of 61 Lincoln Street, Gunnedah in its current condition and allocate proceeds of sale into a Restricted Asset for the purpose of local building, with a strategy to be developed for use of funds.
COUNCIL RESOLUTION 17/06/20 - Contract T1617-03 - Construction of Gunnedah Memorial Pool Complex Upgrade - Councillor Update	Update provided to Councillors - Assessments Water tightness testing is to be repeated. Council staff will continue to investigate the source of the Ashfords Watercourse water and rectify same (if possible). Council maintains possession of a bank guarantee and will only return same on being satisfied that all defective works are satisfactorily repaired. A future report will be brought to Council when the matter is finalised.
COUNCIL RESOLUTION 17/06/20 - Office Furniture and	Remaining 2019/20 capital works allocation for Office Furniture and Equipment

Equipment Replacement Program	Replacement, being \$20,462.00, transferred to a restricted asset for building works for the purchase of new furniture.
COUNCIL RESOLUTION 17/06/20 - Mayoral Minute - Namoi Unlimited - Advocacy and Leadership Register	Advocacy and leadership Register procedure for Namoi Unlimited adopted
COUNCIL RESOLUTION 17/06/20 - Gunnedah Conservatorium Lease	Five year lease to Gunnedah Conservatorium of Music with ongoing price indexation in line with CPI
COUNCIL RESOLUTION 17/06/20 - COVID-19 Economic Stimulus Package Funding Agreement	COVID-19 Economic Stimulus Package funding agreement executed between GSC and the Department of Planning, Industry and Environment Office of Local Government
COUNCIL RESOLUTION 17/06/20 - Delegates Report - Murray Darling Association Meetings - 20/04/20 and 18/05/20	Delegates Report - Murray Darling Association Meetings - 20/04/20 and 18/05/20
COUNCIL RESOLUTION 17/06/20 - 2019/20 Capital Rollover - Office Building Works	2019/20 capital works allocation for Office Building Works rollover to 2020/21 financial year
COUNCIL RESOLUTION 17/06/20 - Campervan & Motorhome Club of Australia - Proposed Recreational Vehicle Park	Council support, in principle, the establishment of a Campervan & Motorhome Club of Australia (CMCA) Recreational Vehicle Park at 107-109 Chandos Street, and 65-67 Maitland Street. Delegate the General Manager to negotiate and sign a Memorandum of Understanding (MOU) and associated leases with the CMCA for the purposes of operating and managing a CMCA RV Park on Gunnedah Shire Council owned land.
COUNCIL RESOLUTION 17/06/20 - 2019/20 Capital Rollover - Civic Movie Screen Replacement, Sound System Upgrade and Library Computers	Civic Movie Screen replacement, \$41,600 rollover from 2019/20 capital works project allocation to 2020/21 financial year Sound System upgrade \$16,500 to address stage construction and reinforcement roll over into 2020/21 financial year Library Public Access Computers Capital Project \$20,000 rollover to 2020/21 financial year
COUNCIL RESOLUTION 17/06/20 - Community Resilience Fund - COVID-19 Business Support Package - Business Partner Program - COVID-19 Round	\$32,167.25 allocated to 22 local businesses for the special COVID-19 round of the 2019/20 Business Partner Program.
COUNCIL RESOLUTION 17/06/20 - Bridge Renewal Program - Orange Grove Road Bridge	Orange Grove Road Bridge replacement through the Bridges Renewal Program endorsed and Council allocate \$625,175.00 as co-contribution if application is successful
COUNCIL RESOLUTION 17/06/20 - Arts and Cultural Grant Fund - Panel Outcomes	\$20,834 allocated under the 2019/20 Arts and Cultural Grants Fund
COUNCIL RESOLUTION 17/06/20 - Gunnedah Airport Operations	Council undertake a pavement inspection if seeking to increase aircraft movements at the facility, either private or commercial
COUNCIL RESOLUTION 17/06/20 - Namoi Water Membership	Council formally declined the Namoi Water request for Council to join Namoi Water
COUNCIL RESOLUTION 17/06/20 - COVID-19 Endorsement of Urgent Works	\$10,000 allocated to meet additional demands for procurement of safety and hygiene supplies required by COVID-19 for 2019/20 financial year
COUNCIL RESOLUTION 17/06/20 - Gunnedah Shire Community Workforce Plan	Draft Gunnedah Shire Workforce Plan (2020-24) placed on public exhibition. Adopt the Gunnedah Shire Workforce Plan should no substantial and valid public submission be forthcoming from the exhibition period
COUNCIL RESOLUTION 03/06/20 - Industrial Building - Lot 1 DP873025 - 1-3 Talbot Street	Industrial Building - Lot 1 DP873025 - 1-3 Talbot Street
COUNCIL RESOLUTION 20/05/20 - Donnelly Fields Irrigation	\$26,000 reallocated to fund the renewal of sections of the Donnelly Fields Irrigation System
COUNCIL RESOLUTION 20/05/20 - 2017-2021 Delivery Program and 2020/21 Operational Plan	2017-2021 Delivery Program and 2020/21 Operational Plan Adopted 20/05/20 despite COVID-19
COUNCIL RESOLUTION 06/05/20 - 4 Lot Subdivision and Demolition of Shed - Lot 2 DP835252 - 31 High Street - Modification of Consent	4 Lot Subdivision and Demolition of Shed - Lot 2 DP835252 - 31 High Street - Modification of Consent
COUNCIL RESOLUTION 20/05/20 - Air Conditioning Installation - Curlewis Hall	\$8,000 to fund the installation of two reverse cycle air conditioning units in the Curlewis Hall
COUNCIL RESOLUTION 20/05/20 - <b>Closed Item</b> - Tender REGPRO022021 - Regional Procurement Bulk Water Treatment Chemicals Panel	Tender REGPRO022021 – Regional Procurement Bulk Water Treatment Chemicals for the period 1 July 2020 to 30 June 2023 (3 years) be appointed to suppliers Redox, Omega Chemicals and Chemiplas. That a provision be allowed for a single 12 month extension based on satisfactory supplier performance.
COUNCIL RESOLUTION 20/05/20 - 2019/20 Capital Rollover -	\$37,901 rollover for Plans of Management from 2019/20 to 2020/21 financial year

Plans of Management	
COUNCIL RESOLUTION 20/05/20 - Third Quarter Budget Review	Third Quarter Budget Review
COUNCIL RESOLUTION 20/05/20 - Alcohol Free Zones	Alcohol Free Zones adopted for further four years from 1 July 2020 to 30 June 2024 Public notification of the extension of AFZ signage and appropriate signage to be amended
COUNCIL RESOLUTION 20/05/20 - Water Services Capital Works Carryover Projects	Evans Road Pump Station project deferred and funding allocation carried over to 2020/21 Council Operational Plan
COUNCIL RESOLUTION 20/05/20 - Wandobah Reserve	\$166,935 to fund a bollard fencing project at Wandobah Reserve to restrict vehicle access
COUNCIL RESOLUTION 20/05/20 - Murray Darling Association - Nomination of Chairperson for Murray Darling Region 11	Councillor J Campbell nomination for the position of Region 11 Chair of the Murray Darling Association Councillor J Campbell nomination for the position of Region 11 Delegate of the Murray Darling Association, if not successful for position of Chair Councillor J Chaffey nomination as an alternate delegate of Region 11 of the Murray Darling Association
COUNCIL RESOLUTION 20/05/20 - Draft Voluntary Planning Agreement - Vickery Extension Project	Voluntary Planning Agreement for the Vickery Extension Project be executed by the General Manager
COUNCIL RESOLUTION 20/05/20 - Conduct of Council Meetings in Villages	June Ordinary Meeting of Council be held in accordance with COVID-19 Public Order Guidelines July Ordinary Meeting of Council be held in the Breeza Hall, or an alternative date suitable to Breeza Progress Association if COVID-19 restrictions made the Breeza venue impractical.
COUNCIL RESOLUTION 20/05/20 - <b>Closed Item</b> - Tender T1920-25 - Grovewood Culverts Replacement	Contract T1920-25 awarded to Grovewood Culverts Replacement to Tefcon Pty Ltd for \$161,479 (ex gst)
COUNCIL RESOLUTION 20/05/20 - South Street Shared Path Active Transport	Acceptance of up to \$211,750 on a 50% Council co-contribution toward South Street Cycleway project under the Transport NSW Active Transport Programme
COUNCIL RESOLUTION 20/05/20 - Waive Showground Fees - Flu Clinic	Waive fees for North West Medical to hold a drive through flu vaccination clinic at the Gunnedah Showground
COUNCIL RESOLUTION 20/05/20 - 2020 Virtual NSW Local Roads Conference	Councillor J Chaffey and Director Infrastructure Services to attend the 2020 National Local Roads Congress to be held as a virtual event on 1 June and 15 June 2020
COUNCIL RESOLUTION 20/05/20 - Community Resilience Programme Extension	Farmer Army temporary workforce program be extended to also include individuals that are unemployed or underemployed due to the COVID-19 pandemic.
COUNCIL RESOLUTION 20/05/20 - <b>Closed Item</b> - Quotation Q1920-21 - Renewal - P138 - Self Propelled Vibrating Roller	Contract Q1920-21 be awarded to Westrac Pty Ltd as the single source supplier to Gunnedah Shire Council for one CS78B Self Propelled Vibrating Roller
COUNCIL RESOLUTION 20/05/20 - <b>Closed Item</b> - Quotation Q1920-19 - Renewal - P27 - Articulated Wheel Loader	Contract 1920-19 be awarded to Komatsu Pty Ltd as the single source supplier to Gunnedah Shire Council for one WA270-8 Articulated Wheel Loader
COUNCIL RESOLUTION 20/05/20 - <b>Closed Item</b> - Tender T1920-29 - Water Main Extension - McCall's Road	Contract T1920-29 be awarded to TCM Civil Pty Ltd to McCall's Road Water Main Extension for extension of the 200mm water main for 1529 metres from Wandobah Road to Hunts Road
COUNCIL RESOLUTION 20/05/20 - High Pedestrian Area Extension	\$106,000 acceptance from Transport NSW's Centre for Road Safety to extend the High Pedestrian Activity Zone in the Gunnedah Central Business District
COUNCIL RESOLUTION 20/05/20 - Revote Operational Allocation - Harvest Gunnedah	\$7,485 unspent budget allocation for Harvest Gunnedah food festival be carried over from 2019/20 to 2020/21
COUNCIL RESOLUTION 20/05/20 - Draft Future 2040 - Gunnedah Shire Local Strategic Planning Statement	Draft Future 2040 – Gunnedah Shire Local Strategic Planning Statement for public exhibition for 28 days Should no submissions be received, that Council adopt the Future 2040 – Gunnedah Shire Local Strategic Planning Statement
COUNCIL RESOLUTION 15/04/20 - <b>Closed Item</b> - Tender T1920-15 - Dry Hire of Landfill Compactor	Contract T1920-15 awarded to Select Civil Pty Ltd for a Dry Hire Landfill Compactor for the Gunnedah Landfill and to commence on 1 May 2020 for a period of 24 months
COUNCIL RESOLUTION 15/04/20 - Community Resilience - COVID-19 Business Support Package	Community Resilience – COVID-19 Business Support Package adopted Amendment to income estimates of \$220,000 to offset revenue loss Staff to monitor and assess the action items in the Community Resilience – COVID-19 Business Support Package
COUNCIL RESOLUTION 15/04/20 - Water Conservation	Level 1 Water Restrictions lifted in all Gunnedah Shire town water supplies from 1 May 2020 Level P Permanent water conservation levels be re-introduced in all Gunnedah Shire town water supplies from 1 May 2020
COUNCIL RESOLUTION 15/04/20 - Clifton Road Upgrade	\$1,225,014 allocated from revenue as co-contribution to the upgrade of Clifton Road

	General Manager authorised to execute the funding deed
COUNCIL RESOLUTION 15/04/20 - Civic Theatre Seating - Budget Allocation Increase	\$15,000 reallocated from Candy Bar upgrade capital works budget to The Civic Theatre Seat Replacement project
COUNCIL RESOLUTION 15/04/20 - Gunnedah Memorial Park Cemetery - Burial Beam Installation	\$18,000 reallocated from Parks and Gardens Operational Expenses to Cemeteries Capital Works, to fund the installation of two concrete burial beams at Memorial Park Cemetery
COUNCIL RESOLUTION 15/04/20 - Bridge Inspection - Transfer of Funds	\$19,074 transferred from the capital project "Developer Servicing Plan (Stormwater)" to undertaking a Level 3 Timber Bridge Inspection and Assessment of the Orange Grove Road Bridge
COUNCIL RESOLUTION 15/04/20 - Gunnedah Showground - Location of New Amenities Block	Location of new Amenities Building at the Gunnedah Showground
COUNCIL RESOLUTION 15/04/20 - <b>Closed Item</b> - Tender T1920-14 - Renewal - P35 Backhoe Loader	Contract T1920-14 awarded to WestTrac Pty Ltd as the single source supplier to Gunnedah Shire Council for one Backhoe Loader
COUNCIL RESOLUTION 15/04/20 - Arts North West Report of Services in Gunnedah Shire 2019/20	Services received within the Gunnedah Shire with the 2019/20 financial year from Arts North West GSC staff congratulated for providing these welcome experiences for Gunnedah residents
COUNCIL RESOLUTION 15/04/20 - Airport Pavement Inspection	\$30,000 reallocated from Parks and Gardens Operational Expenses to Airport Operational Expenses to fund a comprehensive Airport Pavement Inspection
COUNCIL RESOLUTION 15/04/20 - Alterations and Additions - Lot 7035 DP1029310 - View Street	Alterations and Additions - Lot 7035 DP1029310 - View Street
COUNCIL RESOLUTION 15/04/20 - Water Services 2019/20 Operational Plan Changes	Reschedule the water main replacements programmed for Barber Street and Chandos Street in the 2019/20 Operational Plan to the Draft 2020/21 Operational Plan. Remove the proposed water main replacements from the Draft 2020/21 Operational Plan of King Street, Kilcoy Street and Wandobah Road with an estimated total budget of \$135,000 and reschedule to a future year. Re-allocate the \$135,000 allocated for Barber Street and Chandos Street water main replacements to the Links Road water extension.
COUNCIL RESOLUTION 15/04/20 - Gunnedah Local Traffic Advisory Committee - April 2020	That in relation to the report "Gunnedah Local Advisory Traffic Committee Meeting – April 2020", Council: i) That the existing "Give Way" controls remain in place at the intersections of Lincoln Street and Wandobah Road, and George Street and Wandobah Road as the sight distances at the intersections do not warrant "Stop" controls under AS1742.2. ii) Decline the request for approval to conduct the annual Keegan Downes Memorial Cycling Classic Coonabarabran to Gunnedah Cycle Race planned to be held on Saturday 13 June 2020 as a result of the Public Orders limiting public gatherings associated with the COVID-19 Pandemic. iii) That the existing parking restrictions in Barber Street remain unchanged as the car parking survey data evidences that there is adequate turnover of car parking, and adequate on-street car parking available.
COUNCIL RESOLUTION 15/04/20 - Gunnedah Town Hall - Structural Engineers Report	\$10,700 reallocated from Parks and Gardens Operational Expenses to Public Halls and Centre Operational Expenses to fund a Structural Engineer's Report for the Gunnedah Town Hall
COUNCIL RESOLUTION 15/04/20 - Delegates Report - Local Government NSW Tourism Conference 2020	LGNSW Tourism Conference attended by Councillor O Hasler in Jindabyne NSW 16-18 March 2020
COUNCIL RESOLUTION 15/04/20 - Closed Item - Tender T1920-18 - Showground Rodeo Arena Demolition and Earthworks	That Council impliedly rescind Resolution 19.03/20 due to an error in the tender evaluation process.
QUESTION ON NOTICE 15/04/20 - Request - Council Response to Impact of COVID-19	Given today's (6 April, 2020) article entitled "Councils Bleed Revenue as Cost of Virus surges" in the "Sydney Morning Herald" in which it was stated: "The peak body for local government in NSW said councils faced the 'real risk of having to cut' essential services, infrastructure maintenance and staff. 'The cost and revenue impacts are rapidly escalating,' Local Government NSW President Linda Scott said, could Council senior staff provide Council with a detailed assessment of how they anticipate the essential services, infrastructure maintenance, staff and financial security of Gunnedah Shire Council will be effected by the impacts of the policies implemented by Federal and State governments in attempting to confront the COVID-19 virus. The General Manager responded to Councillor OC Hasler's question.
COUNCIL RESOLUTION 15/04/20 - Waive Showground Fees - Flu Clinic	Fees waived for North West Medical to hold a drive through flu vaccination clinic at the Gunnedah Showground
COUNCIL RESOLUTION 15/04/20 - Draft 2017-2021 Delivery	Draft 2017-2021 Delivery Program and 2020/21 Operational Plan

Program and 2020/21 Operational Plan	See adoption in May
COUNCIL RESOLUTION 15/04/20 - Mullaley Recreation Grounds	That Council declines the present request for financial assistance to upgrade the Mullaley Recreation Ground however indicates a preparedness to have discussions with the Mullaley community to determine what development they would like to see for the grounds.
COUNCIL RESOLUTION 15/04/20 - Delegates Report - Association of Mining and Energy Related Councils Meeting 06/03/20	Associated Mining and Energy Related Councils meeting attended by Councillor O Hasler on 6 March 2020
COUNCIL RESOLUTION 15/04/20 - Mayoral Minute - 2020 National General Assembly - Motions	<ol style="list-style-type: none"> <li>1. That Gunnedah Shire Council calls on the Federal Government and NSW Government to urgently deliver comprehensive and multifaceted financial support and stimulus packages to local government to enable them to continue to operate effectively and provide essential services during the COVID-19 pandemic.</li> <li>2. That (Council) calls for the packages to include the following measures: Increasing Financial Assistance Grants payments to 1% to help councils maintain essential functions and services, acknowledging the increased costs and mounting revenue losses arising from COVID-19 (and drought and bushfire where affected) as well as giving councils capacity to provide hardship assistance to businesses and residents. Providing stimulus funding to councils for projects that will help sustain council operations and boost local economies. This could be achieved through increasing or bringing forward funding under existing funding programs or introducing new programs. Increased access to TAFE, VET and other apprenticeship opportunities that council staff can undertake to address skill shortages, especially for staff in non-essential services who are unable to be redeployed.</li> <li>3. That (Council) commends the NSW and Federal Governments on their stewardship during this crisis and commits to working in partnership to protect community health and sustain local economies through this crisis.</li> <li>4. That Council write to the local State Member the Hon Kevin Anderson, Prime Minister the Hon Scott Morrison MP, NSW Premier the Hon Gladys Berejiklian MP, Federal Treasurer the Hon Josh Frydenburg MP, NSW Treasurer the Hon Dominic Perrottet MP, NSW Local Government Minister the Hon Shelley Hancock MP, local Federal member and Federal Minister for Local Government the Hon Mark Coultan, Federal Opposition Leader the Hon Anthony Albanese, NSW Opposition Leader Jodi McKay MP, Federal Shadow Minister for Local Government Jason Clare MP and NSW Shadow Minister for Local Government Greg Warren MP to confirm their support for increased financial assistance and stimulus funding for local government to help councils maintain essential services and employment during the COVID-19 pandemic.</li> <li>5. That Gunnedah Shire Council endorses Local Government NSW's sector-wide campaign to obtain financial assistance and stimulus funding for the local government sector.</li> <li>6. That Council advise LGNSW President Linda Scott of the passage of this Mayoral Minute.</li> </ol>
COUNCIL RESOLUTION 15/04/20 - Closed Item - Tender T1920-24 - Internal Coating - South Street Reservoir	Contract T1920-24 awarded to Tender HH20 Lionel Pfeiffer Coatings for Internal Coating South Street Reservoir
COUNCIL RESOLUTION 15/04/20 - Section 356 Small Grants - Community and Sport - Panel Council Representatives	Councillor O Hasler, Councillor A Luke and Councillor C Fuller appointed to the 2020/21 Section 356 Small Grants panel for the assessment of the Community and Sports Small Grants applications
COUNCIL RESOLUTION 15/04/20 - Closed Item - Tender T1920-19 - External Painting - South Street and Apex Road Reservoirs	Contract T1920-19 awarded to Mattioli Bros for the External Painting of South Street and Apex Road Reservoirs
COUNCIL RESOLUTION 24/03/20 - COVID-19 Pandemic Response Strategy	<ol style="list-style-type: none"> <li>1. That the Gunnedah Shire Council Response Strategy and the actions taken to date be received and noted.</li> <li>2. That Council authorise the freezing of interest accrual against rates, fees and charges that are currently outstanding or may become outstanding commencing as at 12:00pm Tuesday 24 March 2020 and to continue for the duration of the period that the Business Continuity Plan is enacted in response to COVID-19.</li> <li>3. That Council authorise the departure from its existing Debt Recovery Policy in that it ceases the escalation of any outstanding accounts to formal Debt Recovery processes for the duration of the period that Council's Business Continuity Plan is enacted in response to COVID-19.</li> <li>4. That Council authorise the General Manager to waive fees and charges in exceptional circumstances where it is determined safer to provide a service free of charge.</li> </ol>
COUNCIL RESOLUTION 24/03/20 - Voluntary Planning Agreement VPA - Vickery Extension Project	<ol style="list-style-type: none"> <li>a) endorse the Draft Vickery Extension Project Voluntary Planning Agreement for public exhibition for a period of not less than 28 days; and</li> <li>b) execute the Voluntary Planning Agreement should no substantial and valid public objection be forthcoming from the exhibition period.</li> </ol>
COUNCIL RESOLUTION 18/03/20 - Notice of Motion -	NOTICE OF MOTION:

Councillor Meeting Attendance - Lapsed	That Gunnedah Shire Council place in the Local Paper attendance of all Councillors' attendance at Council meetings. There <u>Notice of Motion Lapsed</u> for lack of a Seconder.
COUNCIL RESOLUTION 18/03/20 - Business Partner Program Round Three 2019/20	1. That Council endorses the allocation of \$25,750 under round three of the 2019/20 Business Partner Program across fourteen (14) local businesses, subject to specific terms and conditions relating to each grant. 2. That the funds be drawn from the remaining 2019/20 Business Partner budget (\$15,300) and the Business Partner Restricted Asset (\$10,450).
COUNCIL RESOLUTION 18/03/20 - Gunnedah Waste Management Facility Additional Concrete Processing Costs	\$50,000 from the Domestic Waste Management Restricted Asset to the 2019/20 operational budget for the processing of concrete at the Gunnedah Waste Management Facility.
COUNCIL RESOLUTION 18/03/20 - Business Continuity Plan Management Policy	1. That the Business Continuity Plan Management Policy be adopted. 2. That Council resolves: (a) to appoint members of Council's Executive Management team; Director Corporate and Community Services, Director Planning and Environment, Director Infrastructure Services and the Chief Financial Officer, as being able to act in the position of General Manager, if the General Manager is sick or otherwise absent from work on leave with such appointment to cease upon the return to work of the General Manager or other resolution of Council; (b) that in the event that a nomination for Acting General Manager can't be made, the role of the Acting General Manager is to automatically default to a member of Council's Executive Management team, in the following order Director Corporate and Community Services, Director Planning and Environment, Director Infrastructure Services and Chief Financial Officer, with such appointment to cease upon the return to work of the General Manager or other resolution of Council; (c) that any person acting as General Manager pursuant to this resolution has all the functions, delegations and sub-delegations given to the General Manager by the Council; 3. That in the event of an activation or partial-activation of Council's Business Continuity Plan, that delegations currently in place for both the Mayor and General Manager relating to the authorisation of any action that is deemed urgent, at a cost not exceeding \$30,000 provided that such expenditure is reported to Council at its next Ordinary Meeting, be increased to \$100,000 for the duration of any activation or partial activation of the BCP relative to the current COVID-19 emergency".
COUNCIL RESOLUTION 18/03/20 - Civic Theatre Lighting	\$14,725.00 from General Fund to the Civic Theatre Lighting Renewal 2019/20 Capital Works Project.
COUNCIL RESOLUTION 18/03/20 - 2020 National General Assembly - Motions	That Council submit the following three (3) motions to the 2020 National General Assembly for Local Government: Motion Number 1: 1.1 That, the National General Assembly calls upon the Commonwealth Government to ensure that the Federal Financial Assistance Grants (FAGS) to Local Government be restored to the level of 1% of total Taxation Revenue. 1.2 That, the increased Revenue to be distributed through the States and Territories Grants Commission's is only eligible to the Local Roads Component. Motion Number 2: 2.1 That, the National General Assembly calls upon the Commonwealth Government to establish a funding stream to be administered through the respective States and Territories for the sole purpose of Councils to undertake comprehensive study of bush fire risk to habited towns, villages and communities throughout their respective Local Government areas. 2.2 That, further funding is to be available to enable mitigation measures to identified bush fire risks. Motion Number 3: 3.1 That, the National General Assembly calls upon the Commonwealth Government to mandate that 20 percent of funds committed to New South Wales TAFE to support rural Institutes to allow apprenticeship courses to be run with no minimum student requirements. 3.2 That, the National General Assembly calls upon the Commonwealth Government to mandate that New South Wales TAFE allows composite classes within apprenticeship courses to be run in Rural Institutes.
COUNCIL RESOLUTION 18/03/20 - Business Partner Advisory Group Nominations	That Council: 1. Allow for an additional community member on the Business Partner Advisory Group to a total of five (5) positions. 2. Endorse the appointment of Ms Wendy Marsh to the Business Partner Advisory Group as the additional community representative. 3. Require Ms Marsh to sign a Non-Disclosure Declaration to ensure applications remain confidential.
COUNCIL RESOLUTION 18/03/20 - GoCo Software Proposal	Purchase new client information software system through a \$79,300 investment from Restricted Reserve funds.

COUNCIL RESOLUTION 18/03/20 - Councillor Superannuation Contribution	<p>1. That Gunnedah Shire Council write to the Office of Local Government and:</p> <p>a) Support option 3 as outlined in the OLG Discussion Paper regarding superannuation for elected members.</p> <p>b) Support the position of the Country Mayors Association in requesting a two year moratorium on an increase in payments into the NSW Local Government Defined Benefits Scheme.</p> <p>2. That a submission outlining Council's position be lodged by the closing date.</p>
COUNCIL RESOLUTION 18/03/20 - <b>Closed Item</b> - Tender T1920-18 - Showground Rodeo Arena Demolition and Earthworks	Contract T1920-18 awarded to Palmers Landscapes as the single source supplier to Gunnedah Shire Council for the Gunnedah Showground Rodeo Arena demolition and earthworks.
COUNCIL RESOLUTION 18/03/20 - Proposed Amendment to Development Control Plan 2012	Amended Draft Gunnedah Development Control Plan 2012 be adopted.
COUNCIL RESOLUTION 18/03/20 - <b>Closed Item</b> - Quotation Q1920-09 - Renewal P129 - Suction Type Street Sweeper	Contract Q1920-09 awarded to Rosmech Sales and Service Pty Ltd as the single source supplier to Gunnedah Shire Council for 1 x Suction Type Street Sweeper for the useful life period of 4 years.
COUNCIL RESOLUTION 18/03/20 - <b>Closed Item</b> - Tender REGPRO801920 - Supply and Delivery of Tyres and Associated Services - Panel Tender	<p>1. Award Tender REGPRO801920 – Supply and Delivery of Tyres and Associated Services to the following tenderers: Bridgestone Australia, Tyres4U, Tyremax</p> <p>2. Commence the contract on 1 April 2020 for a period of 24 months and approve that provision be allowed for a 12 month extension based on satisfactory supplier performance which may extend the contract to 1 April 2023.</p>
COUNCIL RESOLUTION 18/03/20 - <b>Closed Item</b> - Tender T1920-16 - Renewal P179 - Wheeled Type Tractor	Contract T1920-16 awarded to Double R Equipment Repairs Pty Ltd as the single source supplier to Gunnedah Shire Council for one Wheeled Type Tractor.
COUNCIL RESOLUTION 18/03/20 - <b>Closed Item</b> - Tender T1920-10 - Manufacture, Supply and Installation of Gunnedah Showground New Amenities Block	Contract T1920-10 awarded to Uniplan Group (T/As Timberline Cabins) as the single source supplier to Gunnedah Shire Council for the Gunnedah Showground New Amenities Block.
COUNCIL RESOLUTION 18/03/20 - Waste 2020 Conference	That Council note the cancellation of the Waste 2020 Conference scheduled to be held in Coffs Harbour on 5-7 May 2020.
COUNCIL RESOLUTION 18/03/20 - Gunnedah Christmas Fair Report 2019	That the 2019 Christmas Fair report from the Gunnedah & District Chamber of Commerce & Industry be received and noted.
COUNCIL RESOLUTION 04/12/19 - <b>Closed Item</b> - Tender T1920-03 - Local Government Procurement - Supply and Deliver Replacement Articulated Motor Grader	"Tender T1920-03 Local Government Procurement (LGP) – Supply and Deliver Replacement Articulated Motor Grader", Council approve Westrac Pty Ltd be awarded the contract, commencing on 19 December 2019.
COUNCIL RESOLUTION 19/02/20 - Service Level Review - Parks and Gardens, Water and Sewer and Works	\$53,625 consisting of \$35,750 from Unrestricted General Fund, \$8,938 from Restricted Water, and \$8,937 from Restricted Gunnedah Sewer to facilitate service reviews for the Parks and Gardens, Water and Sewer, and Works sections.
COUNCIL RESOLUTION 19/02/20 - Community Safety Conference Working Group	<p>1. Endorse the establishment of a Gunnedah Community Safety Conference Working Group;</p> <p>2. Endorse the appointment of Councillors C FULLER, J CAMPBELL, R HOOKE and D MOSES to be part of the Working Group.</p> <p>3. Endorse the calling of Expressions of Interest for three community members to be part of the Working Group.</p> <p>4. Endorse the calling of Expressions of Interest for the appointment of a temporary short term Event Coordinator to support event planning.</p>
COUNCIL RESOLUTION 19/02/20 - Gunnedah RSL Sub-Branch Memorial Garden	That the request from the Gunnedah RSL Sub-Branch Memorial Garden be deferred for consideration at a Councillor Workshop, following which a report be presented to a future Council meeting.
COUNCIL RESOLUTION 19/02/20 - 2019/20 Revaluation - Condition Rating Culverts	That Council reallocate \$38,500 from the operating budget of Strategy and Assets, to be utilised to engage an external asset inspector to undertake condition rating of Council's culverts and cross drainage assets.
COUNCIL RESOLUTION 19/02/20 - Community Resilience Program	That the General Manager be authorised to distribute the remaining drought donations currently held by Council to the Rural Financial Counselling Service and to local clubs undertaking drought relief work.
COUNCIL RESOLUTION 19/02/20 - <b>Closed Item</b> - Extension of Waste and Organics Agreement and Recyclables	<p>37.02/20 COUNCIL RESOLUTIONS:</p> <p>That Council authorises the General Manager to enter into the extension deeds for the Waste and Organics Agreement and Recyclables Agreement:</p> <p>1. Council refers to its earlier resolution number 27.09/19, which authorised Council to negotiate a short term contract extending the operation of the following contracts to 30 June 2021:</p> <p>a) Kerbside Waste and Organics Collection Contract with J.R. and E.G. Richards (NSW) Pty Ltd (JR Richards) dated 3 November 2009 which is due to expire on 30 June 2020 (Waste and Organics Agreement); and</p> <p>b) Gunnedah, Curlewis and Carroll Kerbside Recycling Contract with Gunnedah Workshop Enterprises Ltd trading as Recyclit (Recyclit)</p>



	<p>(Recyclables Agreement), which is due to expire on 28 February 2020 and the associated contracts, namely the:</p> <p>(i) Land Lease Agreement between the parties dated 17 February 2005; and</p> <p>(ii) Container Deposit Scheme Refund Sharing Agreement between the parties dated 22 November 2018), which are both also due to expire on 28 February 2020,</p> <p>2. In respect of the Waste and Organics Agreement, Council notes that in accordance with section 55(3)(i) of the Local Government Act, it has determined that because of extenuating circumstances a satisfactory result would not be achieved by inviting tenders for this contract. The reasons for this decision are:</p> <p>a) that the costs of mobilisation for a contract that is only for a 12-month period, would likely discourage any potential tenderer from participating other than JR Richards;</p> <p>b) Council is committed to procuring a long-term waste collections contract that would include the collection of recyclables, which service is currently carried out under the contract with Recyclit;</p> <p>c) in order to facilitate a single long-term wastes collection contract, that includes the recyclables collection service now being undertaken by Recyclit, Council requires the additional period until 30 June 2021 in order to properly plan and implement the procurement process for this new contract; and</p> <p>d) a 2-year planning and implementation period until 30 June 2021 is consistent with the period recommended by the EPA in the EPA's Model waste and recycling collection contracts user guide for councils (EPA Guide). The EPA Guide recommends in relation to the conclusion of waste contracts "a critical two year service development period prior to the current contract expiry date, encompassing four distinct phases, these being; Consultation and Planning, Prepare Tender Documents, Tendering and New Service Commissioning".</p> <p>3. In respect of the Recyclables Agreement and the Land Lease Agreement, Council notes that it relies on the exemption in s 55(3)(g) of the Local Government Act without being required to invite tenders under section 55 of this Act.</p> <p>4. Council resolves to delegate to the General Manager the authority to execute the following extension deeds which extend the operation of the above mentioned contracts to 30 June 2021:</p> <p>a) Deed of Variation extending the Waste and Organics Agreement;</p> <p>b) Deed of Variation extending the Recyclables Agreement, which also has the effect of extending the Container Deposit Scheme Refund Sharing Agreement; and</p> <p>c) Deed of Variation extending the Land Lease Agreement.</p>
<p>COUNCIL RESOLUTION 19/02/20 - <b>Closed Item</b> - Quotation Q1920-06 - Internal Coating South Street Reservoir</p>	<p>That Council allocate additional funding of \$160,000 from Restricted Gunnedah Water for the internal wall coating of the Gunnedah South Street Reservoir.</p>
<p>COUNCIL RESOLUTION 19/02/20 - Final Community Participation Plan</p>	<p>Community Participation Plan adopted.</p>
<p>COUNCIL RESOLUTION 19/02/20 - Notice of Motion - Porcupine Reserve</p>	<p>1. That Council require a report be brought back to a future meeting which addresses the concerns raised in Mr George Avard's letter of 3 February 2020 with respect to the upkeep of Porcupine Reserve; and</p> <p>2. That this report should follow appropriate consultation with nearby residents and those that have been overlooking the reserve including the Gunnedah Urban Landcare Group and RFS.</p>
<p>COUNCIL RESOLUTION 19/02/20 - Notice of Motion - 50m Pool Repair Upgrade</p>	<p>NOTICE OF MOTION:</p> <p>That the appropriate Council officer provide a report to Council outlining the following:</p> <p>1. The result of the recent repair works to the Gunnedah 50 metre pool – including identification of the source of the water flowing in the South Street culvert;</p> <p>2. The financial implications for Council in having the work undertaken – were there costs to Council in achieving the repairs? and</p> <p>3. Any long-term implications of the repair work on the longevity of the pool.</p> <p><i>Refer Item 3.1.</i></p>
<p>COUNCIL RESOLUTION 19/02/20 - 2020 National General Assembly of Local Government</p>	<p>1. That Councillors give consideration to any proposed motions they wish included in the National General Assembly Business Paper, and advise the General Manager of them prior to Monday 2 March 2020 to enable them to be considered by Council at its March Ordinary Meeting; and</p> <p>2. That Council authorise the attendance of the Mayor, Councillor Jamie Chaffey, at the 2020 National General Assembly of Local Government in Canberra 14-17 June 2020.</p>
<p>COUNCIL RESOLUTION 19/02/20 - LGNSW Tourism Conference</p>	<p>That Council endorse the attendance of Councillor OC HASLER at the LGNSW Tourism Conference 2020 and that a Delegate's Report on the</p>

2020	Conference be presented to a future meeting.
COUNCIL RESOLUTION 19/02/20 - Draft Policy - Legislative Compliance	Draft Policy – Legislative Compliance adopted
COUNCIL RESOLUTION 19/02/20 - <b>Closed Item</b> - Tender for Insurance Brokerage Services	That Council award the tender for Insurance Related Services and insurance coverage to Civic Risk Mutual Pty Ltd.
COUNCIL RESOLUTION 19/02/20 - Draft Policy - Gift and Benefits	That Council resolve to adopt the Draft Policy – Gifts and Benefits following exhibition for 28 days, should no submissions be received.
COUNCIL RESOLUTION 19/02/20 - Request for Assistance - Gunnedah Show Society - EIMEX	That Council accept the opportunity as a major sponsor for the conduct of the 2020 Energy Innovation Mining Expo and make an in kind contribution of \$11,000 and a cash contribution of \$7,000 on the proviso the event is held.
COUNCIL RESOLUTION 19/02/20 - Cultural Precinct Masterplan	That a decision relating to the adoption of the Cultural Precinct Masterplan be deferred until such time as further consultation with the Cultural Precinct Advisory Group and other community stakeholders has been undertaken.
COUNCIL RESOLUTION 19/02/20 - Contract Management Framework	That Council allocate \$30,000 from the Contingency Restricted Asset to develop a management policy, directive and procedures for contract management.
COUNCIL RESOLUTION 19/02/20 - Draft Policy - Child, Young Person and Vulnerable People Protection	That Council resolve to adopt the Draft Policy – Child, Young Person and Vulnerable Person Protection following exhibition for 28 days, should no submissions be received.
COUNCIL RESOLUTION 19/02/20 - Request for Boundary Adjustment - Property 13315015 - 176 Rossmar Park Road, Caroona	Request for Boundary Adjustment - Property 13315015 - 176 Rossmar Park Road, Caroona
COUNCIL RESOLUTION 19/02/20 - 2019/20 Capital Rollover - Smart Device APP	That Council endorse the rollover of the 2019/20 capital works allocation for Smart Device App of \$50,000 to the 2020/21 financial year.
COUNCIL RESOLUTION 19/02/20 - Request - Water Consumption Charge Reduction - Assessment 13281371 - 96 Marquis Street	That Council decline the request to reduce water charges on Assessment No 13281371.
COUNCIL RESOLUTION 19/02/20 - Request - Water Consumption Charge Reduction - Assessment 13275689 - 109-139 Kamilaroi Road	That Council decline the request to reduce water charges on Assessment No 13275689.
COUNCIL RESOLUTION 19/02/20 - Policy - Water Usage Charge Reduction Requests	That Council adopt the Water Usage Reduction Requests Policy as publicly exhibited.
COUNCIL RESOLUTION 19/02/20 - Draft Policy - Waste Management - Waste Generated Outside the Gunnedah Shire Council Local Government Area	That Council endorse the public exhibition of the Draft Waste Management – Waste Generated Outside the Gunnedah Shire Council Local Government Area Policy and should there be no submissions, the draft policy be adopted.
COUNCIL RESOLUTION 19/02/20 - <b>Closed Item</b> - Tender T1920-07 - Gunnedah South Street Reservoir	That Council award the contract for T1920-07 to replace the roof and internal ladder at the Gunnedah South Street Reservoir to Steelworks Engineering Pty Ltd.
COUNCIL RESOLUTION 19/02/20 - <b>Closed Item</b> - Tender T1920-05 - Supply and Installation of Gunnedah Showground Arena Lighting and Public Address Upgrade	That Council delegate authority to the General Manager to award and execute contract T1920-04 for the Gunnedah Showground Arena Lighting Upgrade and new PA System to Large Industries Pty Ltd (T/as JLE Electrical) for \$365,591.64 ex GST.
COUNCIL RESOLUTION 19/02/20 - Contract T1617-03 - Construction of Gunnedah Memorial Pool Complex Upgrade - Councillor Update	That the information be received and noted and that a further report be provided to the May Council Meeting following the investigation in April.
COUNCIL RESOLUTION 19/02/20 - Sister Cities and Friendly Relationships Program Guidelines	That Council endorse the Sister Cities and Friendly Relationships Program and associated Guidelines.
COUNCIL RESOLUTION 19/02/20 - Sister Cities and Friendly Relationships Working Group	<ol style="list-style-type: none"> <li>1. Endorse the expansion of the Sister Cities and Friendly Relationships Working Group to include all schools within Gunnedah Shire and a general community representative; and</li> <li>2. Accept Mrs Wendy Marsh as the current general community representative.</li> </ol>
COUNCIL RESOLUTION 19/02/20 - 2019/20 Capital Rollover - Electronic Event Sign	<ol style="list-style-type: none"> <li>1. That Council endorse the rollover of the 2019/20 capital works allocation for Electronic Event Sign of \$35,000 to the 2020/21 financial year;</li> <li>2. That a report be brought to Council identifying other locations and budget for more than one sign in Gunnedah Shire (for example, as a</li> </ol>

	feature on the new over rail bridge).
COUNCIL RESOLUTION 19/02/20 - Gunnedah Showground - Refurbishment of Grandstand Amenities	The purpose of this report is to detail to Councillors a deviation from Council's Management Directive – Procurement and Tendering, with respect to procuring demolition and construction work at the Gunnedah Showground.
COUNCIL RESOLUTION 18/12/19 - Request - Water Consumption Charge Reduction - Assessment 13330358 - 35 Allgayer Drive	That Council write off the water supply and sewage usage charges of \$351.12 on Assessment Number 13330358.
COUNCIL RESOLUTION 18/12/19 - Policy - Waste Management - Exemption from Charges for Not-for-Profit Charities Orphaned Waste	That Council adopts the draft Policy – Waste Management – Exemption from Charges for Not-for-Profit Charities (Orphaned Waste).
COUNCIL RESOLUTION 18/12/19 - Cultural Precinct Master Plan	That the draft Cultural Precinct Master Plan be placed on public exhibition with submissions to be invited from the public for consideration at the February 2020 meeting of Council.
COUNCIL RESOLUTION 18/12/19 - Water Conservation	<ol style="list-style-type: none"> <li>1. Implement Level 1 Water Restrictions for all Gunnedah Shire town water supplies from 1 January 2020.</li> <li>2. Allocate \$15,000 from the Gunnedah Water Supply Restricted Asset to purchase material, and carry out a community awareness campaign.</li> <li>3. Allocate \$30,000 from the Gunnedah Water Supply Restricted Asset to undertake a review of Council's Drought and Demand Management Plan.</li> </ol>
COUNCIL RESOLUTION 18/12/19 - <b>Closed Item</b> - Quotation Q1920-03 - Replacement Dual Cab Welders Truck	That Council award the contract relating to Quotation Q1920-03 for the supply and delivery of the dual cap welders truck to Peel Valley Machinery Pty Ltd.
COUNCIL RESOLUTION 18/12/19 - Gunnedah Local Advisory Traffic Committee	<p>That in relation to the report "Gunnedah Local Advisory Traffic Committee Meeting – 27 November 2019", Council:</p> <ol style="list-style-type: none"> <li>i) Approve the closure of 8th Division Ave, Acacia Street, and South Street in Gunnedah from 6:00am to 9:00am for the Gunnedah Triathlon Club event to be held on Sunday 26 January 2020.</li> <li>ii) Endorse the actions of the Director Infrastructure Services in approving the closure of Goran Street, Pike Street, and Brown Street in Curlewis from 6:00pm to 9:00pm for the Christmas Fair to be held on 14 December 2019.</li> <li>iii) Endorse the actions of the Director Infrastructure Services in approving the closure of 8th Division Memorial Avenue, Acacia Street and South Street on 16 November 2019 from 5.00pm to 6.30pm, 14 December from 5.00pm to 6.30pm.</li> <li>iv) Approve the closure of 8th Division Memorial Avenue, Acacia Street and South Street Saturday morning of the 15 February 2020 from 6.00am to 7.30am for Gunnedah Triathlon Club Events.</li> <li>v) Approve the Tractor Trek Parade on 21 March 2020 from Elgin Street to Woolworths Carpark via Conadilly Street as part of the week of speed activities.</li> <li>iv) Endorse the actions of the Director Infrastructure Services in approving the closure of Conadilly Street from Abbott Street to Conadilly Street on 29 November 2019 between 5:00pm to 9.30pm for the annual Christmas Fair.</li> </ol>
COUNCIL RESOLUTION 18/12/19 - <b>Closed Item</b> - Quotation Q1920-03 - Replacement of Two Bogie Drive Trucks and Tippers	That Council award the contract relating to Quotation Q1920-03 for the supply and delivery of two (2) replacement bogie drive tipper trucks and dog trailers to JT Fossey Trucks Pty Ltd.
COUNCIL RESOLUTION 18/12/19 - Sister Cities Budget	<ol style="list-style-type: none"> <li>1. Allocate \$20,000 to a budget in the 2019/20 financial year, and provide appropriately future year indexed allocations within the Delivery Program and Long Term Financial Plan, for Sister City initiatives, events and projects as may be determined by the Sister City Working Group; and</li> <li>2. Require that a further report be brought to Council to consider guidelines to be developed in consultation with the Working Group which may guide the evaluation of applications by external groups.</li> </ol>
COUNCIL RESOLUTION 18/12/19 - 2019/20 Capital Rollover - Directional Signage	That Council endorses to rollover the 2019/20 capital works allocation for directional signage, being \$3,500.00 to the 2021/22 financial year.
COUNCIL RESOLUTION 18/12/19 - Team Rubicon - Litres for the Land	<ol style="list-style-type: none"> <li>1. Note and receive the information about Team Rubicon's Litres for the Land initiative;</li> <li>2. Provide in-principle support and promote the initiative within the Shire; and</li> <li>3. Donate up to 50,000kl of water to the Litres for the Land Program, from Gunnedah Water Fund, to extend the duration of the program.</li> </ol>
COUNCIL RESOLUTION 18/12/19 - Request Fee Waiver - Riding for Disabled Association	That Council waive the Showground booking fees for Riding for Disabled Association Gunnedah Centre for 2020.
COUNCIL RESOLUTION 18/12/19 - Local Government	1. That Gunnedah Shire Council adopt the attached submission to the Local Government Remuneration Tribunal in relation to the "proposed



Remuneration Tribunal	<p>classification model and criteria”.</p> <p>2. That the Local Government Remuneration Tribunal removes the rural council category and combines it with Regional Rural Category and possibly renames that category.</p> <p>3. That a flatter remuneration structure be adopted which would recognise the value of all Councillors.</p>
COUNCIL RESOLUTION 18/12/19 - Draft Policy - Water Usage Charge Reduction Requests	That the proposed Water Usage Charge Reduction Request Policy be placed on public exhibition for a period of 28 days.
COUNCIL RESOLUTION 18/12/19 - Northern Inland Academy of Sport NIAS - Associate Partnership	That Council becomes an Associate Partner of the Northern Inland Academy of Sport for 2020.
COUNCIL RESOLUTION 18/12/19 - Lobby NSW Government and Federal Government for Drought Rate Relief	That the Gunnedah Shire Council request the New South Wales Government and the Federal Government provide funding to enable Councils to offer rate relief to drought affected farmers.
COUNCIL RESOLUTION 18/12/19 - Request Fee Waiver - Lions Club of Gunnedah	That Council waive the Griffiths Pavilion (Showground) hire fee for the Lions Club of Gunnedah for its booking on 21 December 2019.
COUNCIL RESOLUTION 18/12/19 - State Government Funding for NSW Public Libraries	<p>1. That Council make representation to the local State Member, Kevin Anderson MP, in relation to the need for a sustainable state funding model for the ongoing provision of public library services.</p> <p>2. That Council write to the Hon. Don Harwin, Minister for the Arts and the Hon. Walt Secord, Shadow Minister for the Arts, calling for bi-partisan support for a minimum increase of Consumer Price Indexation (CPI) of state funding for NSW public libraries, as well as legislation of all elements of the 2019/20 to 2022/23 NSW state funding model.</p> <p>3. That Council take a leading role in lobbying for sustainable state government funding for libraries.</p> <p>4. That Council endorse the distribution of the NSW Public Libraries Association NSW library sustainable funding advocacy information in Council libraries, as well as involvement in any actions proposed by the Association.</p>
COUNCIL RESOLUTION 18/12/19 - Temporary Suspension of Alcohol Prohibited Area - Kitchener Park	<p>That the Alcohol Prohibited Area under Section 632A and Section 645 of the Local Government Act 1993 relative to Kitchener Park, Gunnedah be temporarily suspended for the following dates:</p> <ul style="list-style-type: none"> <li>▪ 17 January 2020</li> <li>▪ 24 January 2020</li> <li>▪ 31 January 2020</li> <li>▪ 07 February 2020</li> <li>▪ 14 February 2020</li> <li>▪ 21 February 2020</li> <li>▪ 28 February 2020</li> </ul> <p>Between the hours of 5:00pm and 11:00pm on each evening subject to compliance with licensing requirements associated with service of alcohol.</p>
COUNCIL RESOLUTION 18/12/19 - Lions Park Irrigation System	That Council decline the request by the Lions Club of Gunnedah for Council to maintain the irrigation system at Lions Park.
COUNCIL RESOLUTION 18/12/19 - Conduct of Council Meetings in Villages	<p>1. That the March Ordinary Meeting of Council scheduled for Wednesday 18 March 2020 be held in the Curlewis Hall hosted by the Curlewis Progress Association.</p> <p>2. That the June Ordinary Meeting of Council scheduled for Wednesday 17 June 2020 be held in the Breeza Hall hosted by Breeza Progress Association.</p>
COUNCIL RESOLUTION 18/12/19 - Great Artesian Basin Advisory Group	That Council endorse the nomination of Councillor Colleen Fuller to represent Local Government NSW on the Great Artesian Basin Advisory Group (GABAG)
COUNCIL RESOLUTION 18/12/19 - GoCo Tamworth Growth Proposal	That Council approve the proposal to grow GoCo in the Tamworth Region through a \$150,000.00 investment from Restricted Reserve funds.
COUNCIL RESOLUTION 18/12/19 - Proposed NSW Rural Fire Service Station at Gunnedah Airport	<p>1. That Council endorse the allocation of land, located within the Wean Road Reserve adjacent to the Airport for the purposes of a Rural Fire Service Station for the Gunnible RFS Brigade</p> <p>2. That Council recommend that should there be trees removed as part of the development that it be a requirement that appropriate replacement trees/shrubs be part of that approval.</p>
COUNCIL RESOLUTION 18/12/19 - Request Reduction in Hall	1. That Council approve the reversal of original November 2018 invoice and create a new invoice for Hall hire based on a not for profit

Hire - Black n Blue Boxing Club	organisation. 2. That upon receipt of not for profit status from Black N Blue, all future charges be based on community rate.
COUNCIL RESOLUTION 18/12/19 - Planning Proposal - E3 Environmental Management Zone - Gunnedah Shire	1. That Council complete a Desktop Analysis of E3 Zone in the Gunnedah Shire. 2. That \$6,300 (ex GST) be transferred from the LEP Land Use Strategy for this purpose.
COUNCIL RESOLUTION 18/12/19 - <b>Closed Item</b> - Replacement of Dual Cab Service Truck	That Council award the contract to renew 'P85 Mitsubishi Canter FE85 4x2 Dual Cab Service Truck' to JT Fossey Trucks Pty Ltd.
COUNCIL RESOLUTION 18/12/19 - Debt Recovery Policy and Hardship Policy	That Council adopt the Debt Recovery Policy and Hardship Policy as exhibited.
COUNCIL RESOLUTION 18/12/19 - AGL Purchase of Southern Phones	1. That the information be received and noted. 2. That the funds be held in the Building Renovations/Additions Restricted Asset.
COUNCIL RESOLUTION 18/12/19 - Garage - Lot 1 DP431705 - 159 Barber Street	Garage - Lot 1 DP431705 - 159 Barber Street
COUNCIL RESOLUTION 18/12/19 - Swimming Pool - Lot 192 DP248252 - 37 Palmer Crescent	Swimming Pool - Lot 192 DP248252 - 37 Palmer Crescent
COUNCIL RESOLUTION 04/12/19 - Expansion of Marys Mount Blue Metal Gravel Quarry - Lot 161 DP755508 - Lot 2 DP865898 - Lot 1 DP879765 - Lot 1 DP1147885 - Modification to Voluntary Planning Agreement Blue Metal Quarry	1. That Council endorse the General Manager and a Councillor to execute the Voluntary Planning Agreement, as exhibited; 2. That the S4.55(1A) Application to Modify a Development Consent No. 2012/185.003, for the alteration to the endorsed Voluntary Planning Agreement (VPA) relating to the approved extractive industry, at Lot 22 DP 1216060 – 334 Pownall Road, Mullaley and Lot 2 DP 865898 – 'Beulah' 259 Barker Road, Marys Mount be approved subject to the deletion of condition A5 and the insertion of condition A5a, as detailed in the report.
COUNCIL RESOLUTION 04/12/19 - Community Resilience Program Objectives	1. That the Community Resilience Programme Objectives be defined as: a. Deliver economic stimulus to the local economy; b. Provide local employment and support local purchasing; c. Water and other utility conservation; d. Sustain the community social fabric, health and well-being; e. Provide a public benefit and lasting legacy; f. Strengthen long-term community resilience; g. Support and coordinate efforts with others (government and non-government). 2. That a Community Grants Programme is established as detailed in this report with the initial list of projects to be drawn from the previous consultation undertaken during Round 1 of the Federal Drought Communities Programme and further public expressions of interest be sought if required. 3. That a temporary workforce be established, providing flexible employment opportunities for individuals in the Gunnedah Shire that have had their regular income impacted by drought as detailed in the report. 4. That a list of projects for the temporary workforce to deliver in accordance with the programme objectives on community land and/or on community assets be developed. 5. That the General Manager be delegated the authority to authorise projects to be delivered under the Community Resilience Programme in consultation with the elected Council.
COUNCIL RESOLUTION 04/12/19 - Strategic Acquisition of Property - Lots 9, 10 and 12 Section 22 DP758492 - Lots 1 and 2 DP770129	1. Authorise the General Manager to negotiate the acquisition of property as detailed in the report; and 2. Should it be successful in negotiating an agreed purchase price for the property, receive a further report from the General Manager for the purchase and classification of the land.
COUNCIL RESOLUTION 04/12/19 - Closed Item - Tender T1920-04 - Construction of Concrete Roundabout - Oxley Highway Gunnedah	That in relation to the report "Tender T1920-04 Construction of Concrete Roundabout – Oxley Highway, Gunnedah", Council approve that Tefcon be awarded the contract.
COUNCIL RESOLUTION 20/11/19 - Small Tooling and Plant Replacement Program - Addition	That Council allocate \$105,000 from the small plant fund to renew Council's small tooling and plant assets.
COUNCIL RESOLUTION 20/11/19 - Gunnedah Airport Operations	1. That Council allocate \$12,000 from General Fund Unrestricted Cash to Airport Operational Expenses for staff training. 2. That Council allocate \$15,000 from General Fund Unrestricted Cash to Airport Operational Expenses for ongoing maintenance.

	3. That senior staff be asked to give further consideration to the reduction in expenditure or increase in revenue for the operation of the airport on the ratepayers by investigating other means of revenue raising and report back to Council by the second quarter of 2020.
COUNCIL RESOLUTION 20/11/19 - <b>Closed Item</b> - Tender SPT891920GUN - Regional Procurement Supply and Delivery of Aggregates	That in relation to the report 'Tender SPT891920GUN Regional Procurement – Supply and Delivery of Aggregates Gunnedah', Council: (i) Approve that the following tender submissions be awarded this contract, SPT891920GUN: Mackellar Excavations; Boral Resources; BMR Quarries Pty Ltd t/as Roadwork Industries; and Daracon Group. (ii) Commence the contract on 1 January 2020 for a period of 36 months and approve the provision be allowed for a 12 month extension based on satisfactory supplier performance which may extend the contract to 31 December 2023; and (iii) Authorise the Seal of the Council be affixed to the contract.
COUNCIL RESOLUTION 20/11/19 - Appointment of Depot Yard Person - Addition	That Council allocate \$94,648 from the small plant fund, to cover the employment costs of a small plant mechanic/depot yard person.
COUNCIL RESOLUTION 20/11/19 - Business Partner Program Round Two 2018/19	That Council endorses the allocation of \$11,750 under Round Two of the 2019/20 Business Partner Program across five local businesses and organisations, subject to specific terms and conditions relating to each grant.
COUNCIL RESOLUTION 20/11/19 - <b>Closed Item</b> - AGL Proposed Purchase of Southern Phones	The Gunnedah Shire Council ("the Council") resolves: a. To agree to the sale of Southern Phone Company Limited shares to AGL Energy Limited in line with the attached Share Sale Agreement. b. To delegate to the General Manager to execute any relevant documentation necessary. c. Should the sale go ahead, to determine the future allocation of the proceeds at the first Council meeting after receipt of funds.
COUNCIL RESOLUTION 20/11/19 - Notice of Motion - Lobby State Government to Progress Funding Projects	That Council call on the NSW State Government to fast track the following announced commitments to provide much needed stimulus and community certainty: <input type="checkbox"/> Planning and construction of the new \$53 million Gunnedah Hospital; and <input type="checkbox"/> The sealing of Rangari Road.
COUNCIL RESOLUTION 20/11/19 - Meeting Dates for Ordinary Meetings to August 2020	1. That the information be received and noted, and that the proposed meeting schedule up until August 2020 be endorsed. 2. That the Ordinary Meetings of Gunnedah Shire Council continue to be held on the third Wednesday of each month commencing at 4:30pm. 3. That Expressions of Interest be sought from two Village Progress Association(s) and/or Committee(s) to host a Council Ordinary Meeting in 2020.
COUNCIL RESOLUTION 20/11/19 - Closed Item - Gunnedah Koala Park Agreement	1. That Council proceed to negotiate a binding agreement to lease the Gunnedah Koala Park on the basis of Option B as outlined in this report; and 2. That a budget of \$12,000 be allocated to the Koala Park Project Budget from Unrestricted Revenue for the purpose of drafting and legal advice.
COUNCIL RESOLUTION 20/11/19 - Delegates Report - 2019 Murray Darling Association Conference - Toowoomba 21-24 October 2019	2019 Murray Darling Association Conference in Toowoomba 21 – 24 October 2019 attended by Councillor J Campbell, Mayor J Chaffey, Deputy Mayor R Hooke and Director Planning and Environmental Services.
COUNCIL RESOLUTION 20/11/19 - Addition - 2019/20 Pool Fees and Charges	That Council adopt the addition to the 2019/20 Fees and Charges relating to pool space hire.
COUNCIL RESOLUTION 20/11/19 - Apprentice Plant Mechanic – Addition	That Council allocate \$63,660.29 from the Plant Reserve to cover the employment and training costs of an apprentice plant mechanic.
COUNCIL RESOLUTION 20/11/19 - Gunnedah Showground Working Group Meeting Structure	1. That Council consider the appointment of three Councillors being R HOOKE, OC HASLER and C FULLER as representatives on the Gunnedah Showground Working Group. 2. That one delegate from each Gunnedah Showground user group be invited to join the Working Group, with the organisations also able to substitute delegates as and when required. 3. That all Showground user groups be supplied with Council's Working Group Terms of Reference.
COUNCIL RESOLUTION 20/11/19 - Notice of Motion - Shenhua Watermark and Whitehaven Vickery Extension	That Council calls on the NSW State and Federal Government to provide adequate resources to ensure the applications for the Shenhua Watermark and Whitehaven Vickery Coal Projects are dealt with in the most expeditious way in order to provide both the appropriate independent scientifically based approval process – as expected by the community, while ensuring any resultant, much needed economic



	stimulation and job opportunities are achieved, thereby ensuring certainty for the community of Gunnedah Shire and the regions of the Gunnedah Basin during this protracted drought and extremely difficult times for our community.
COUNCIL RESOLUTION 20/11/19 - Donation of Prize - Curlewis Public School	That Council endorses the action of the General Manager in providing a monetary donation to Curlewis Public School for their annual school presentation.
COUNCIL RESOLUTION 20/11/19 - Proposed Amendment to Gunnedah Development Control Plan 2012	<ol style="list-style-type: none"> <li>1. Council endorse the amendment to the Gunnedah Development Control Plan 2012 to remove Section 1.7 including 1.7.1 Notified Development Applications and 1.7.2 Advertised Local Development; and</li> <li>2. That the Draft Amended Development Control Plan 2012 be publicly exhibited for 28 days.</li> </ol>
COUNCIL RESOLUTION 20/11/19 - 2018/19 Annual Report	That the 2018/19 Annual report due to be submitted to the Minister for Local Government by 30 November 2019
COUNCIL RESOLUTION 16/10/19 - Australia Day 2020 - Village Grants	<ol style="list-style-type: none"> <li>1. That \$3,000 be added to the events budget from unrestricted revenue to provide grant funding to support Australia Day Celebrations in Shire Villages and Community Halls.</li> <li>2. That this program become an annual component of our Australia Day budget, provided eligible projects are submitted by our Villages for evaluation under Guidelines developed by the Australia Day Working Group.</li> </ol>
COUNCIL RESOLUTION 16/10/19 - Donation of Prizes - Swimming Gunnedah Inc - Carnival Fundraiser	That Council endorses the action of the General Manager in providing the donation of 2 x family pass movie tickets to the Swimming Gunnedah Inc, for a fundraising opportunity at an upcoming Gunnedah Carnival on 10 November 2019.
COUNCIL RESOLUTION 16/10/19 - Community Resilience Program	<p>That Council:</p> <ol style="list-style-type: none"> <li>1. Allocate \$200,000 in 2019/20 financial year budget, for the purpose of a Gunnedah Shire Community Resilience Program; and</li> <li>2. Allocate a further \$1 million, within the 2019/20 financial year budget and as per Option A as detailed in the report, for the purpose of funding projects under the Community Resilience Program with a focus on supporting projects which engage local suppliers, contractors and labour;</li> <li>3. Lobby the NSW State and Federal Governments to match Council's financial commitment at point 2 above.</li> </ol>
COUNCIL RESOLUTION 16/10/19 - Administration of 2020 Local Government Election	That a further \$81,936.00 be allocated in the 2020/21 Operational Plan to fund the election.
COUNCIL RESOLUTION 16/10/19 - Form of Written Return of Interests Submitted Under Clause 4.21	<p>That in relation to the report "Form of Written Return of Interests Submitted Under Clause 4.21", Council:</p> <ol style="list-style-type: none"> <li>1. Note that all Councillors and currently serving designated persons have completed and lodged Disclosure of Interest Returns in accordance with Section 449(3) of the Local Government Act 1993; and</li> <li>2. Advise the Office of Local Government accordingly.</li> </ol>
COUNCIL RESOLUTION 16/10/19 - Donation of Prizes - Royal Far West Dance for Kids Fundraiser	That Council endorses the action of the General Manager in providing two family Civic movie money tickets to the Royal Far West Dance for Kids Fundraiser to be held on Friday 25 October 2019.
COUNCIL RESOLUTION 16/10/19 - Draft Debt Recovery Policy and Hardship Policy	That the Draft Debt Recovery Policy and Draft Hardship Policy be adopted and placed on exhibition for a period of 21 days for comment.
COUNCIL RESOLUTION 16/10/19 - Draft Community Participation Plan	That the Draft Gunnedah Community Participation Plan (CPP) be placed on public exhibition for a minimum of 28 days and submissions be invited from the public.
COUNCIL RESOLUTION 16/10/19 - 2018/19 Financial Statements and Auditors Report	That Council's Financial Statements for the year ended 30 June 2019 and the Auditor's Report contained therein be accepted.
COUNCIL RESOLUTION 16/10/19 - Gunnedah Koala Park	<ol style="list-style-type: none"> <li>1. That Council approves the development of a design for the Gunnedah Koala Park based on the facility being located at Lot 329 DP755503 (Farmers and Graziers) and unused portions of Lot 328 DP755503 (Balcarry Park) pending consultation with users of Balcarry Park;</li> <li>2. That for the purposes of Milestone 2 in the Funding Deed with the State Of NSW, Council approves of Lot 329 DP755503 (Farmers and Graziers) and Lot 328 DP755503 (Balcarry Park) as the location for the future Gunnedah Koala Park;</li> <li>3. That the Feasibility Study and Preliminary Statement of Environmental Effects pertaining to the subject land for the Koala Park be received and noted;</li> <li>4. That the Koala Park Functional Description and Operating Model as detailed in this report be received and noted.</li> </ol> <p>The Mayor requested the vote be noted as Unanimous</p>
COUNCIL RESOLUTION 09/10/19 - Two Lot Subdivision - Lot 6	Two Lot Subdivision - Lot 6 DP262888 - 35-37 Booloocooroo Road

DP262888 - 35-37 Booloocooroo Road COUNCIL RESOLUTION 09/10/19 - Seniors Living Development - Lot 58 DP1208878 - 4 Favell Street	That the Application to Modify Development Consent No. 2014/092.004, to reduce the number of dwelling units from 67 to 62, amendment to internal road layout and unit positioning on site plan, reposition of onsite vehicle parking spaces onsite, amendment to dwelling unit floor plans, amendment from attached carports to enclosed garage on development floor plans and amendment to development headworks contribution to reflect changes to development plans, at Lot 58 DP1208878 – 4 Favell Street, Gunnedah be approved subject to the deletion and insertion of the following conditions of consent as detailed in the report.
COUNCIL RESOLUTION 14/08/19 - Question on Notice - Procurement of Town Entrance Signs	Given that there was some doubt about the final cost of the town entrance signage (because of the need to replace those first supplied by the sign company) could the Director Planning and Environmental Services please confirm the final figure for that signage. The Director Planning and Environmental Services responded to the question.
COUNCIL RESOLUTION 18/09/19 - Murray Darling Association 75th Annual Conference	That Council endorse the attendance of Councillor J CAMPBELL, Councillors J CHAFFEY and R HOOKE at the Murray Darling Association (MDA) Annual Conference in Toowoomba over the period 21 to 24 October 2019.
COUNCIL RESOLUTION 18/09/19 - Waste Management - Exemption from Charges for Not-for-Profit Charities (Orphaned Waste)	That Council endorse the public exhibition of the draft Waste Management – Exemption from Charges for Not-for-Profit Charities (Orphaned Waste) Policy for a period of 28 days.
COUNCIL RESOLUTION 18/09/19 - Donation of Prizes - St Marys College	That Council endorses the action of the General Manager in providing a monetary donation to St Mary's College for their annual school presentation.
COUNCIL RESOLUTION 18/09/19 - NightQuip 2019 - Post Event Report	1. That the report on NightQuip 2019 be received and noted. 2. That Council commit to NightQuip becoming an annual event to be held on the first Tuesday of Ag-Quip, with funds being drawn from existing Economic Development operational budget. 3. That Council prepare a letter to Service NSW to show appreciation and provide a copy of event findings.
COUNCIL RESOLUTION 18/09/19 - Local Government NSW Annual Conference - 14-16/10/19	That Council endorse the attendance of Councillor C FULLER as one of Council's voting delegates in place of the Deputy Mayor, Councillor R Hooke, at the 2019 Local Government NSW Annual Conference.
COUNCIL RESOLUTION 18/09/19 - Hay and Harvest Festival Working Group Community Nominations	1. That the following appointments for community positions be made to the Hay and Harvest Festival Working Group. Ms Rebecca Ryan, Ms Geraldine McKay, Ms Barbara McDonald, Ms Ingrid Kainerder 2. That each member of the Hay and Harvest Working Group be given a copy of the Working Group Terms of Reference.
COUNCIL RESOLUTION 18/09/19 - Tender for Insurance Brokerage Services	That Council allocates \$16,285.71 to the Governance Budget for the purpose of undertaking a group tender for insurance and that the budget allocation be drawn from unrestricted revenue.
COUNCIL RESOLUTION 18/09/19 - Closed Item - Tender F3168 - Netwaste and NIRW Tender for Processing of Used Mattresses	1. That Council appoints JLW Services as a single source tender for the period 1 July 2019 to 30 June 2021 for processing of used mattresses. 2. That a provision be allowed for a 12 month extension based on satisfactory supplier performance, which may take this contract through to 30 June 2022, which can occur on two (2) successive occasions. 3. Council allocate \$12,000 from the Domestic Waste Management Restricted Asset to the 2019/20 Domestic Waste Management budget for processing of used mattresses. 4. That the General Manager be authorised to execute the contract documents on behalf of Council.
COUNCIL RESOLUTION 18/09/19 - Administration of 2020 Local Government Election	That Gunnedah Shire Council ("the Council") resolves: a. Pursuant to s296(2), (3) and (5A) of the Local Government Act 1993 (NSW) ("LGA") that an election arrangement be entered into by contract for the Electoral Commissioner to administer all elections of the Council. b. Pursuant to s296(2), (3) and (5A) of the LGA, as applied and modified by s18, that a Council poll arrangement be entered into by contract for the Electoral Commissioner to administer all Council polls of the Council. c. Pursuant to s296(2), (3) and (5A) of the Act, as applied and modified by s18, that a constitutional referendum arrangement be entered into by contract for the Electoral Commissioner to administer all constitutional referenda of the Council.
COUNCIL RESOLUTION 18/09/19 - 2019/20 Fees and Charges - Addition - Pool Space Hire	That Council resolve to place the proposed additions to the 2019/20 Fees and Charges relating to pool space hire on public exhibition for 28 days.
COUNCIL RESOLUTION 18/09/19 - Councillor Professional Development Plan	1. That the Mayor and each Councillor seeks a meeting with the General Manager to finalise individual professional development plans; and 2. That the group training activities as detailed in this report be endorsed.

COUNCIL RESOLUTION 18/09/19 - <b>Closed Item</b> - Tender T1819-11 - Preferred Supply Panel for Supply of Electrical Services	That Council appoints Power Control & Communication, Dries Electrical and Thomson Electrical by tender to the Preferred Supply Panel – Supply of Electrical Services (T1819-11).
COUNCIL RESOLUTION 18/09/19 - Gunnedah Waste Management Facility - Environment Impairment Liability	That Council allocate \$22,400 from the Domestic Waste Management Restricted Asset to the Domestic Waste Management Budget to insure the Gunnedah Waste Management Facility for Environmental Impairment Liability annually.
COUNCIL RESOLUTION 18/09/19 - Gunnedah Regional Saleyards Precinct Masterplan	<ol style="list-style-type: none"> <li>1. That Council adopt the Gunnedah Regional Saleyards Precinct Masterplan.</li> <li>2. Investigate options for driving increased utilisation of the upgraded asset proposed in the Masterplan (ie use of education facility for training courses and/or canteen and dining facilities for events; and</li> <li>3. Commence work on developing the Masterplan into one or multiple ‘shovel ready’ projects for the purpose of pursuing grant funding from all levels of government.</li> </ol>
COUNCIL RESOLUTION 18/09/19 - 2019 National Local Roads and Transport Congress	That Council endorse the attendance of Councillor J CHAFFEY to accompany the Director Infrastructure Services to attend the 2019 National Local Roads and Transport Congress to be held at the Adelaide Hills Convention Centre on 18-20 November 2019.
COUNCIL RESOLUTION 18/09/19 - <b>Closed Item</b> - Interim/Future Contract Development - Waste Collection and Recyclables Processing	<p>That Council give delegation to the General Manager to negotiate by agreement, a ‘short-term’ Contract with each of the incumbent Contractors, having terms and conditions being generally similar to the existing contracts (except for expiry dates), outlined herein:</p> <ol style="list-style-type: none"> <li>1. Kerbside Waste and Organics Collection Contract with J.R. and E.G. Richards (NSW) Pty Ltd (‘JR Richards’), to expire on 30 June 2021 and in accordance with s55(3)(i) of the Local Government Act 1993 (NSW), whereby the means upon which the ‘extenuating circumstances’ exemption is based, to permit the extension without being required to invite tenders under s55 of the Act, are listed as: <ol style="list-style-type: none"> <li>(a) That the costs of mobilisation for a contract that is only for a 12-month period, would likely discourage any potential tenderer from participating other than JR Richards; and</li> <li>(b) Council is committed to procuring a long-term waste collections contract that would include the collection of recyclables, which service is currently carried out under the contract with Gunnedah Workshop Enterprises Ltd trading as Recyclit (‘Recyclit’); and</li> <li>(c) In order to facilitate a single long-term wastes collection contract, that includes the recyclables collection service now being undertaken by Recyclit, Council requires the additional period until 30 June 2021 in order to properly plan and implement the procurement process for this new contract; and</li> <li>(d) 2-year planning and implementation period from now until 30 June 2021 is consistent with the period recommended by the EPA in the EPA’s Model waste and recycling collection contracts user guide for councils (EPA Guide).</li> </ol> <p>The EPA Guide recommends in relation to the conclusion of waste contracts “a critical two year service development period prior to the current contract expiry date, encompassing four distinct phases, these being; Consultation and Planning, Prepare Tender Documents, Tendering and New Service Commissioning”.</p> </li> <li>2. Kerbside Recyclables Collection and Processing Contract with Gunnedah Workshop Enterprises Ltd trading as Recyclit (‘Recyclit’), to expire on 30 June 2021 using the exemption provisions in s55(3)(q) of the Local Government Act 1993 (NSW) without being required to invite tenders under s55 of the Act.</li> </ol> <p>Once negotiations are considered to be complete, these short term Contracts must subsequently be reported to Council for consideration of a resolution to execute each.</p>
COUNCIL RESOLUTION 18/09/19 - Undertaking to the Environment Protection Authority Given for the Purpose of Section W53A of the Protection of the Environment Operations Act 1997	<ol style="list-style-type: none"> <li>1. That Council endorses the actions of the General Manager to execute the enforceable undertaking; and</li> <li>2. That the cost of \$27,748.29 for the enforcement undertaking be distributed across the operational areas of Works, Water and Sewer and Public Facilities.</li> </ol>
COUNCIL RESOLUTION 18/09/19 - Wandabah Booloocoaroo Water Supply Area Servicing	That Council allocate an additional \$35,000 from the Gunnedah Town Water Supply Restricted Asset to cover the additional estimated cost of constructing the water main extension through Mornington Heights Estate.
COUNCIL RESOLUTION 18/09/19 - Draft Revised 2018/19 Financial Statements	That Council’s revised Draft Financial Statements for 2018/19 be endorsed.
COUNCIL RESOLUTION 18/09/19 - <b>Closed Item</b> - Pool Kiosk Lease - 2019/20 Season	<ol style="list-style-type: none"> <li>1. That Council endorse the leasing of the Gunnedah Memorial Pool Kiosk operations to Gunida Gunyah Aboriginal Corporation for the 2019/20 season.</li> <li>2. That a report be brought back to the May 2020 Ordinary Meeting at the conclusion of the 2019/20 season with regard to the future operations of the Gunnedah Memorial Pool Kiosk.</li> </ol>
COUNCIL RESOLUTION 18/09/19 - Public Reserves	That Council contribute \$15,600.00 from the Public Reserves Management Fund towards the Gunnedah Jockey Club’s 2018/19 operational

Management Fund - Gunnedah Jockey Club	expenses.
COUNCIL RESOLUTION 18/09/19 - Delegates Report - Sustainable Economic Growth for Regional Australia (SEGRA) National Conference	That Council receives and notes the Delegate's Report of the Sustainable Economic Growth for Regional Australia (SEGRA) National Conference. 19 to 21 August 2019
COUNCIL RESOLUTION 04/09/19 - Demolition of Dwelling - New Dwelling - Lots 12 13 14 Section 13 DP758234 - Lot 1 DP247370 - 113-131 Gunnedah Street, Carroll	That the Development Application No. 2019/052, for the demolition of an existing dwelling and two ancillary structures, installation of a transportable dwelling and construction of shed, at 113-131 Gunnedah Street, Carroll, Lot 12, 13 and 14 Section 13 DP758234 and Lot 1 DP247370, be approved subject to the following conditions as detailed in the report.
COUNCIL RESOLUTION 04/09/19 - Additions and Alterations - Lot 1 DP1229687 - Lot 7 Section 33 DP758492 - 205-211 Bloomfield Street	Additions and Alterations - Lot 1 DP1229687 - Lot 7 Section 33 DP758492 - 205-211 Bloomfield Street
COUNCIL RESOLUTION 14/08/19 - 2019 LGNSW Water Management Conference	That Council resolve for Councillor J CAMPBELL to attend the 2019 LGNSW Water Management Conference to be held in Albury from 2-4 September 2019.
COUNCIL RESOLUTION 14/08/19 - Request - Water Consumption Charge Reduction - Assessment 13285511 - 19-21 Ross Road	Council write-off the water supply usage charge on Assessment Number 13285511 as a 'one-off' offer due to the exceptional circumstances experienced.
COUNCIL RESOLUTION 14/08/19 - Gunnedah Showground Upgrade - Project Management and Site Superintendence	<ol style="list-style-type: none"> <li>1. That Council reallocate \$124,562 from the operating budget of Survey, Design and Development to Special Projects; and</li> <li>2. That the reallocated funds be utilised to engage an external project manager to deliver the Showground Upgrade Project.</li> </ol>
COUNCIL RESOLUTION 14/08/19 - Gunnedah Memorial Pool Complex Outdoor Season	<ol style="list-style-type: none"> <li>1. That Council authorise the opening of the outdoor facilities at the Gunnedah Memorial Pool Complex from Saturday 5 October 2019 as a trial for the 2019/20 summer season only.</li> <li>2. That Council allocates \$40,017.35 from General Fund Unrestricted Cash to the Swimming Pool Operational Budget for costs associated with opening four weeks early.</li> <li>3. That a report be brought back to Council with the results from the trial to confirm opening season in the future.</li> </ol>
COUNCIL RESOLUTION 14/08/19 - Draft Saleyards Strategy and Precinct Masterplan	<ol style="list-style-type: none"> <li>1. Adopt the draft Gunnedah Regional Saleyards Precinct Masterplan and place on public exhibition for comment for 21 days and subject to endorsement of the document at the conclusion of the exhibition period;</li> <li>2. Investigate options for driving increased utilisation of the upgraded asset proposed in the Masterplan (ie. use of education facility for training courses and/or canteen and dining facilities for events); and</li> <li>3. Commence work on developing the Masterplan into one or multiple 'shovel ready' projects for the purpose of pursuing grant funding from all levels of government.</li> </ol>
COUNCIL RESOLUTION 14/08/19 - NSW Local Government Rating System Review	That Council provides a submission to the current consultation process being undertaken by the Office of Local Government with regard to the IPART's review of the NSW Local Government Rating System in line with the attachment to this report.
COUNCIL RESOLUTION 14/08/19 - Question on Notice - Procurement of Town Entrance Signs	<p>Why did Council staff choose to utilise an Inverell firm to produce the Town Entrance signage rather than a local Gunnedah firm? What was the total cost of the provision of the Town Entrance signage?</p> <p>The Director Planning and Environmental Services responded to the question.</p>
COUNCIL RESOLUTION 14/08/19 - <b>Closed Item</b> - Security Upgrade	That Council allocates \$6,753.56 from General Fund Unrestricted Cash to upgrade and monitor security and ten Council sites to NBN compatible GPRS Communicators.
COUNCIL RESOLUTION 14/08/19 - Proposed Memorial to Heath King - Kitchener Park	That Council support the Gunnedah Junior Cricket Association to install a park bench and plaque, in memory of Heath King, at Kitchener Park, in consultation with Council staff.
COUNCIL RESOLUTION 14/08/19 - Draft 2018/19 Financial Statements	<ol style="list-style-type: none"> <li>1. Council's Draft Financial Statements are prepared in accordance with: the Local Government Act 1993 (as amended) and the regulations made there under; the Australian Accounting Standards; and the Local Government Code of Accounting Practice and Financial Reporting.</li> <li>2. The statements presents fairly the Council's operating result and financial position for the year;</li> <li>3. The statements accord with Council's accounting and other records;</li> <li>4. Council is not aware of any matter that would render these statements false or misleading in any way;</li> <li>5. Council's Draft Financial Statements be referred to audit;</li> <li>6. Councils audited Financial Statements be presented to the October meeting of Councils Audit Committee;</li> </ol>



	<p>7. Council delegate authority to the Mayor, Deputy Mayor, General Manager and Responsible Accounting Officer to sign the 'Statement by Council and Management' for inclusion within the report;</p> <p>8. Council delegate authority to the General Manager to finalise the date at which the Auditor's Report and Financial Statements are to be presented to the public; and</p> <p>9. Council delegate authority to the General Manager to set the authorised for issue date upon receipt of the Auditor's Report.</p>
COUNCIL RESOLUTION 14/08/19 - Dorothea Mackellar Statue	That Council allocates monies from the Gunnedah Memorial Pool Construction Residual budget to fund the relocation of the northern fence of the Gunnedah Memorial Pool Complex and associated works (as outlined in the Option 2 of the Director Infrastructure Services Report) and including the replacement of the floodlight on the Dorothea Mackellar Memorial Statue.
COUNCIL RESOLUTION 14/08/19 - Donation of Prizes - Gunnedah South Public School P&C	That Council endorses the action of the General Manager in providing two (2) family Civic movie money tickets to the Gunnedah South Public School Annual Fete major fundraising event on Friday 8 November 2019.
COUNCIL RESOLUTION 14/08/19 - Proposed Addition to Crown Land Management - Lot 288 DP755495	<p>1. That Council consents to Gunnedah Shire Council being appointed as Crown Land Manager for the Crown Land in Emerald Hill, identified as Lot 288 in Deposited Plan 755495.</p> <p>2. That Council authorises the General Manager to write to the Minister for Industry – Lands and Forestry, requesting the appointment for Lot 288 Deposited Plan 755495.</p>
COUNCIL RESOLUTION 14/08/19 - Crime Prevention and Community Safety Conference	<p>1. That Council consider the cost benefit analysis with regard to hosting a two day Crime Prevention and Community Safety Conference in Gunnedah in 2020;</p> <p>2. That Council agree to proceed with hosting a Crime Prevention and Community Safety Conference in Gunnedah in 2020;</p> <p>3. That should the Conference proceed, \$10,000 be allocated from the 2019/20 General Fund to provide seed funding to support planning;</p> <p>4. That should the Conference proceed, Council endorse the recommendation that surplus funds identified at the conclusion of the Conference be returned to 2020/21 General Fund;</p> <p>5. That should the Conference proceed, Council endorse the formation of a Working Group to progress the delivery of the event; and</p> <p>6. That should the Conference proceed, Council endorse the recommendation for staff to bring a report back to Council in September 2019 outlining how the Working Group will operate.</p>
COUNCIL RESOLUTION 14/08/19 - 2018/19 Operational Plan Budget Revote Carry Forwards	<p>1. That the adjustments to budget allocations, including transfers to and from restricted assets as listed in the attachments to the report, be adopted;</p> <p>2. That the changes to the 2019/20 Operational Plan as contained in the report and attachments, being budget allocations for revoted and carried forward works, be adopted.</p>
COUNCIL RESOLUTION 14/08/19 - Section 356 Small Grants - Community and Sport	That Council endorse the allocation of \$39,519.00 under the 2019/20 Section 356 Small Grants (Community and Sport) round which includes: <p>a) A total of \$19,742.00 to six community organisations; and</p> <p>b) A total of \$19,777.00 to five sporting organisations.</p>
COUNCIL RESOLUTION 17/07/19 - Open Spaces Strategy	<p>1. Council allocate \$65,000 from General Fund Unrestricted Cash to engage professional services to develop a new Open Space Strategy for the Gunnedah Shire.</p> <p>2. That this review takes into consideration the possibility of significant population growth within the Gunnedah LGA over the next 20 years.</p>
COUNCIL RESOLUTION 17/07/19 - Local Government NSW Annual Conference	That Council approve the attendance of the Mayor and Deputy Mayor at the 2019 Local Government NSW Annual Conference.
COUNCIL RESOLUTION 17/07/19 - Alterations and Additions - Lot 1 DP155982 - 70-88 Henry Street	Alterations and Additions - Lot 1 DP155982 - 70-88 Henry Street
COUNCIL RESOLUTION 17/07/19 - Welcome to Gunnedah - New Residents Event	The purpose of this report is to inform Councillors of the proposal for a bi-annual event to welcome new residents to the Gunnedah Shire.
COUNCIL RESOLUTION 17/07/19 - Request - Water Consumption Charge Reduction - Assessment 13281818 - 45 McAndrew Street	Council decline the request to reduce the rate to the first tier on property assessment 13281818.
COUNCIL RESOLUTION 17/07/19 - <b>Closed Item</b> - Gunnedah Wastewater Effluent Reuse Agreement	1. That Council resolve to adopt the Draft Effluent Agreement between Gunnedah Shire Council and IAI Australia Fund 11 Pty Ltd for the delivery of treated effluent water from the Gunnedah



	<p>Wastewater Treatment Plant for the period 1 July 2019 to 30 June 2024 and execute the agreement under the seal of Council.</p> <p>2. Staff investigate alternative options for the use of the treated effluent water from the Gunnedah Wastewater Treatment Plant and prepare a further report to Council by December 2021.</p>
COUNCIL RESOLUTION 17/07/19 - Free Domestic Bulky Waste Disposal Day	That Council endorses a one off bulky waste event at Council waste facilities in September 2019.
COUNCIL RESOLUTION 17/07/19 - <b>Closed Item</b> - Tender T481920OROC - Tender for Supply and Delivery of Bulk Fuel	Lidocole Pty Ltd t/a Hopes Fuel Supplies as a single source tender for the period 1 July 2019 to 30 June 2020; and That a provision be allowed for a 12 month extension based on satisfactory supplier performance which may take this contract through to 31 March 2023
COUNCIL RESOLUTION 17/07/19 - Street Trading Vendor and Footpath Dining Application	<ol style="list-style-type: none"> <li>1. Waive the application fees for all Street Trading (Vendor) and Footpath Dining applications for the 2019/20 financial year.</li> <li>2. Adopt the NSW Outdoor Dining Policy.</li> </ol>
COUNCIL RESOLUTION 17/07/19 - <b>Closed Item</b> - Tender T1819-09 - Gunnedah South Street Reservoir	<ol style="list-style-type: none"> <li>1. Pass over all tenders for T1819-09 for works relating to the South Street Reservoir, and call for two new separate tenders to: <ol style="list-style-type: none"> <li>a) Replace the roof, remove the internal ladder and replace it with a fibre reinforced plastic (FRP) ladder; and</li> <li>b) Coat the internal walls with a flexible compound coating for the top 4 metres exposed to the reservoir tidal zone.</li> </ol> </li> <li>2. Approve the transfer of remaining un-spent funds \$645,036.73 allocated in the 2018/19 Operational Plan for the replacement of the roof, internal wall coating and external security fence for the South Street Reservoir to the 2019/20 Operational Plan.</li> <li>3. Allocate an additional \$130,000 from Gunnedah Water Supply Restricted Asset to cover the estimated project budget shortfall, by-pass costs, specialist supervision, and contingency.</li> </ol>
COUNCIL RESOLUTION 17/07/19 - Sustainable Economic Growth for Regional Australia SEGRA Conference	<ol style="list-style-type: none"> <li>1. That Council endorse Councillors OC HASLER and A LUKE as delegates to attend the Sustainable Economic Growth for Regional Australia (SEGRA) Conference.</li> <li>2. That Councillor C FULLER be endorsed as alternate delegate to attend the Sustainable Economic Growth for Regional Australia (SEGRA) Conference.</li> </ol>
COUNCIL RESOLUTION 17/07/19 - Request - Water Consumption Charge Reduction - Assessment 13279853 - 37 Lloyd Road	Council decline the request to reduce the rate to the first tier on property assessment 13279853.
COUNCIL RESOLUTION 17/07/19 - Notice of Motion - Multicultural Gunnedah	That Council organise, fund and provide a venue for an event hosted by the Mayor of Gunnedah Shire Council in order to promote the creation of a Multicultural Gunnedah group. The event will feature a guest speaker from Multicultural Tamworth. Funding is to be sourced from the Economic Development funding.
COUNCIL RESOLUTION 17/07/19 - <b>Closed Item</b> - From the Ground Up Indigenous Initiative	<ol style="list-style-type: none"> <li>1. That Council supports in principle the proposal for the progression of the 'From the Ground Up' initiative and the proponent's delivery of a regional workshop to consult the broader indigenous community in mid to late August 2019.</li> <li>2. That up to \$400 be allocated from the Community and Social Planning budget for venue hire costs to support the delivery of the regional workshop.</li> <li>3. That a further report be brought back to Council at the conclusion of the regional workshop to inform Council of its outcome.</li> </ol>
COUNCIL RESOLUTION 17/07/19 - <b>Closed Item</b> - Legal Action - Hoarding and Squalor - Reallocation of Funds - 65 Hopedale Avenue - 120 and 122 Bloomfield Street	That the funds allocated for the hoarding and squalor legal matter (\$51,000), be transferred to the 2019/20 Operational Plan.
COUNCIL RESOLUTION 17/07/19 - Gunnedah Hay and Harvest Festival	<ol style="list-style-type: none"> <li>1. Endorse the request by the Gunnedah Jockey Club (GJC) to combine their Back to the Track event with Council's Gunnedah Hay and Harvest Festival;</li> <li>2. Endorse the establishment of a Gunnedah Hay and Harvest Working Group;</li> <li>3. Endorse the appointment of Councillors C FULLER and A LUKE to be part of the Working Group;</li> <li>4. Endorse the calling of Expressions of Interest for three community members to be part of the Working Group.</li> </ol>
COUNCIL RESOLUTION 17/07/19 - Notice of Motion - Gunnedah Rural Museum	That Council write a letter supporting the Gunnedah Rural Museum's request to the Police Minister the Hon. David Elliot to have the NSW Firearms Regulation 2017 modified, changing the wording in the Regulation pertaining to Museum firearm permits, Clause 59(4)(a) from "permanently disabled" to "temporarily disabled".
COUNCIL RESOLUTION 17/07/19 - Gunnedah Memorial Pool Kiosk - Expression of Interest	Report to provide Councillors with an update on the Gunnedah Memorial Pool Kiosk and to advise them Expressions of Interest will again be sought for a commercial entity to operate the kiosk as a stand-alone business, separate from Council.

COUNCIL RESOLUTION 17/07/19 - Reallocation of Funds in Economic Development	That the funds for the Electronic Event Signage (\$35,000) be transferred to the 2019/20 Operational Plan.
COUNCIL RESOLUTION 17/07/19 - Cultural Precinct Master Plan Advisory Group	<ol style="list-style-type: none"> <li>1. That Council endorse the appointment of the following community representatives to the Cultural Precinct Master Plan Advisory Group: Alex Wharton, Tony Blake</li> <li>2. That any casual vacancies be filled by the remaining two applicants.</li> </ol>
COUNCIL RESOLUTION 17/07/19 - Section 356 Small Grants Community and Sport Panel	That Council endorses the appointment of Councillors R HOOKE, D MOSES and C FULLER for the purpose of assessing the 2019/20 Section 356 Small Grants Applications (Community and Sports).
COUNCIL RESOLUTION 17/07/19 - Capital Rollover - Unexpended Budget Transfer - Resource Recovery Area Drainage Upgrade Works	That the remaining funds from the Resource Recovery Area Drainage Upgrade Works (\$60,000) be transferred to the 2019/20 Operational Plan (Domestic Waste Management Capital Works – Resource Recovery Area Drainage Upgrade Works).
COUNCIL RESOLUTION 17/07/19 - Business Partner Program Round One 2019/20	That Council endorses the allocation of \$12,950 under round one of the 2019/20 Business Partner Program across seven local businesses and organisations, subject to specific terms and conditions relating to each grant.
COUNCIL RESOLUTION 17/07/19 - Business Partner Advisory Group Nomination	<ol style="list-style-type: none"> <li>1. Appoint Mr Bruce Hockings to the Business Partner Advisory Group as the community representative to replace Ms Wendy Marsh.</li> <li>2. That Mr Hockings sign a Non-Disclosure Declaration to ensure applications are kept confidential.</li> </ol>
COUNCIL RESOLUTION 17/07/19 - Closed Item - Tender REGPRO201819 - Tender for Supply and Delivery of Stationery	<ol style="list-style-type: none"> <li>1. That Council appoint Winc as a single source tender for the period 1 April 2019 to 31 March 2021; and</li> <li>2. That a provision be allowed for a 12 month extension based on satisfactory supplier performance, which may take this contract through to 31 March 2022.</li> </ol>
COUNCIL RESOLUTION 17/07/19 - Closed Item - Contract T1819-10 - Construction of Livvi's Place Inclusive Playground - Budget Update	Additional \$107,478.23 allocated to the Livvi's Place Inclusive Project from the General Fund
COUNCIL RESOLUTION 03/07/19 - Closed Item - Voluntary Planning Agreement VPA - Whitehaven Coal Vickery Extension Project	That Council authorise the General Manager to negotiate a Voluntary Planning Agreement with Whitehaven Coal for the Vickery Expansion Project in accordance with parameters outlined in this report.
COUNCIL RESOLUTION 03/07/19 - Closed Item - Tender T1819-07 - Design and Construct Rainbow Serpent Water Feature	That Council delegate authority to the General Manager to award and execute a Contract for the design and construction of the Rainbow Serpent Water Feature with Waterforms International for \$274,258 ex GST.
COUNCIL RESOLUTION 03/07/19 - Closed Item - EOI1819-13 - Gunnedah Koala Park	<ol style="list-style-type: none"> <li>1. That Council accept the Expression of Interest from Capta Group in relation to the operation of the future Gunnedah Koala Park;</li> <li>2. Enter into direct negotiations with Capta Group; and</li> <li>3. Negotiate a Memorandum of Understanding with Capta Group that details an agreement between both parties to work together in order to complete the requirements of the Funding Deed with the State of NSW, identify an appropriate parcel of land to suit the facility and negotiate the terms of the future lease agreement.</li> </ol>



## Statutory Requirements

The Annual Report in the year in which an ordinary election of Councillors is to be held must also report as to the Council's achievements in implementing the Community Strategic Plan over the previous four year – Section 428(2).

### Rates and Charges Written Off [LG (Gen) Reg Cl132]

The following rates and charges were written off during 2019/20:

	GENERAL	POSTPONED	PENSIONER	TOTAL
Ordinary Rates	\$1,406.77	\$50,440.43	\$151,285.60	\$20,132.80
Water Charges	\$18,834.59	-	\$67,832.73	\$86,667.32
Sewer Charges	\$32,424.07	-	\$61,367.13	\$93,791.20
Waste Management	\$386.90	-	\$69,665.65	\$60,062.55
Stormwater	\$12.23	-	-	\$12.23
Legal Costs	-	-	-	-
Interest	\$15,921.99	\$16,136.75	-	\$32,058.74
<b>TOTALS</b>	<b>\$68,986.55</b>	<b>\$66,577.18</b>	<b>\$340,151.11</b>	<b>\$475,714.84</b>

### Overseas Visits [LG (Gen) Reg Cl217(1)(a)]

Gunnedah Shire Council did not undertake any overseas visits during 2019/20.

### Councillor Expenses [LG (Gen) Reg Cl 217(1)(a1)]

The Council has adopted a policy that governs the expenses allowable for conferences and seminars, the types and monetary limits of expenses Councillors can claim reimbursement for and the facilities to be made available to the Mayor and Councillors. The policy can be read at Council's office or on the website [www.gunnedah.nsw.gov.au](http://www.gunnedah.nsw.gov.au).

The cost of Councillor expenses and provision of facilities to Councillors in accordance with Council's Policy for 2019/20 was as follows:

Expense/Facility	Net \$
Provision of dedicated office equipment allocated to Councillors	\$2,283.05
Telephone calls made by Councillors	\$7,592.29
Attendance of Councillors at conferences and seminars	\$17,194.86
Training of Councillors and provision of skill development	\$260.00
Interstate visits by Councillors, including transport, accommodation and other out-of-pocket travelling expenses	\$1,065.11
Overseas visits by Councillors, including transport, accommodation and other out-of-pocket travelling expenses	0
Expenses of any spouse, partner or other person who accompanied a Councillor in the performance of his or her civic functions, being expenses payable in accordance with the Guidelines for the payment of expenses	\$454.55
Allowances	\$141,025.83
Vehicle	\$5,361.60
Food and Catering Other	\$742.75
Air Travel Other	\$5,399.36
Accommodation Other and Travel Other and Parking and Meal Reimbursement and Taxi	\$4,710.89
Internal Recharge	\$997.1
Reimbursements made by Councillors	-\$1,151.09
<b>TOTAL</b>	<b>\$185,873.91</b>

## Contracts [LG (Gen) Reg Cl 217(1)(a2)]

Council awarded the following contracts in excess of \$150,000 during 2019/20.

CONTRACTOR	NATURE OF GOODS AND SERVICES PROVIDED	DURATION OF CONTRACT	AMOUNT SPENT THIS FINANCIAL YEAR \$
Hope's Fuel Supplies	Fuel & Oil Supplies	30/06/2020	\$925,764.60
WesTrac	Plant & Parts Supply	30/06/2020	\$851,106.59
Taggle Systems Pty Ltd	Automatic Water Reading System	30/06/2020	\$712,948.93
ERM Power Retail Pty Ltd	Electricity	30/06/2020	\$693,255.36
JR & EG Richards (NSW) Pty Ltd	Waste Services	30/06/2020	\$683,882.27
BMR Quarries Pty Ltd	Supply Road Materials	30/06/2020	\$636,219.16
Watchout Traffic Control	Labour Hire	30/06/2020	\$617,797.26
Premium Aged Care Services	Aged Care Services	30/06/2020	\$578,902.81
Tefcon Pty Ltd	Civil Construction - Boundary Roundabout	30/06/2020	\$569,195.97
State Cover Mutual Limited	Insurance	30/06/2020	\$537,874.75
Statewide Mutual	Insurance	30/06/2020	\$525,061.01
Norwest Plant Hire	Plant Hire	30/06/2020	\$502,097.60
Rollers Australia Pty Ltd	Plant Hire	30/06/2020	\$475,718.35
Quirang Holdings Pty Ltd	Contractor	30/06/2020	\$398,493.84
AGL Sales Pty Ltd	Electricity	30/06/2020	\$332,520.92
Jobs Australia Armidale	Labour Hire	30/06/2020	\$329,511.57
GE & RJ Jackson Contracting	Plant Hire	30/06/2020	\$326,081.25
Waterforms International Pty Ltd	Civil Construction - Rainbow Serpent	30/06/2020	\$297,742.78
Reece	Plumbing Supplies	30/06/2020	\$293,830.23
Coates Hire Operations Pty Ltd	Plant Hire	30/06/2020	\$289,037.94
Somerville Earthmoving Pty Ltd	Gravel Supply, Equipment Hire	30/06/2020	\$286,524.42
Charlie & Joy Thomson Pty Ltd	Electrical Contractors	30/06/2020	\$286,387.39
Workforce Extensions	Labour Hire	30/06/2020	\$280,265.03
Proludic Pty Ltd	Playground Equipment	30/06/2020	\$280,238.14
Gunnedah Automotive	Automotive Purchases	30/06/2020	\$265,308.37
State Debt Recovery Office	Levies & Contributions	30/06/2020	\$251,465.97
Fulton Hogan Industries Pty Ltd	Roadwork Materials	30/06/2020	\$243,837.60
Workforce Road Services Pty Ltd	Labour Hire	30/06/2020	\$242,910.58
Hunter H2O Holdings Pty Ltd	Consultant	30/06/2020	\$241,592.67
Ivan Williamson Automotive	Contractor	30/06/2020	\$233,787.19
Perrett Haulage Pty Ltd	Plant Hire	30/06/2020	\$230,010.00
Kevin Smith Contracting	Gravel Carting	30/06/2020	\$227,276.40
Workpac Pty Ltd	Labour Hire	30/06/2020	\$223,222.01
UNIPLAN GROUP Pty Ltd	Civil Construction - Showground Amenities	30/06/2020	\$222,056.63
MPC Earthmoving Pty Ltd	Plant Hire	30/06/2020	\$219,119.51
TCM Civil Pty Ltd	Civil Construction - Curlewis Pipeline	30/06/2020	\$216,230.01
Gunnedah Workshop Enterprises Ltd	Waste Services	30/06/2020	\$207,293.91
Telstra - Direct Debits	Phones/Internet	30/06/2020	\$204,024.60
Cadia Group	Plumbing Supplies	30/06/2020	\$193,358.77
SJ Excavations Pty Ltd	Plant Hire	30/06/2020	\$184,030.00
Nandebri Home Nursing Pty Ltd	Aged Care Services	30/06/2020	\$184,005.45
Mornington Estate Pty Ltd	Civil Construction - Mornington Watermain	30/06/2020	\$169,823.39
Dept of Planning, Industry & Environment	Crown Land Acquisition	30/06/2020	\$155,311.60
Double R Equipment Repairs	Vehicle Inspection/Repairs	30/06/2020	\$153,743.04
Abberfield Technology	Civil Construction - Standpipe Fill Stations	30/06/2020	\$151,475.00
Dunn & Hillam Architects	Architectural Services	30/06/2020	\$151,074.01



## Legal Proceedings [LG (Gen) Reg Cl217 (1)(a3)]

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The following expenditure on legal proceedings was incurred by Council in 2018/19:

SUBJECT	PARTICULARS OF PROCEEDINGS	RESULT	COST TO COUNCIL 2019 \$	COST TO COUNCIL 2020 \$
Planning	Planning Matters	Ongoing	\$7,001.50	\$20,891.71
Debt Recovery **	Recovery of Rates and Charges	Ongoing	\$81,016.30	\$42,002.20
Human Resources	General Advice	Ongoing	\$8,330.50	\$31,424.18
Works	EPA Investigation	Ongoing	\$17,144.10	\$8,284.00
Compliance	Infringement Processing	Ongoing	\$2,166.78	\$2,238.89
JLT Insurers	Participation in Class Action for recoupment of over charging of premiums	Ongoing	0	0
			<b>\$115,659.18</b>	<b>\$104,840.39</b>

\*\* Note: Expenses recouped through the rate recovery process.

## Subsidised Work on Private Property [LG (Gen) Reg Cl217(1)(a4)]

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During 2019/20 no resolution was made under Section 67(3) of the Local Government Act 2003 concerning work carried out on private land that was fully or partly subsidised by the Council.

## Community Grants [LG (Gen) Reg cl 217(1)(a5)]

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During 2019/20 Council made grants under Section 356, Local Government Act 1993, totaling \$50,315.10 to local community groups.

## Functions Delegated to Other Organisations [LG (Gen) Reg Cl217(1)(a6)]

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Council delegated functions to the following external bodies during 2019/20.

- North West Weight of Loads

## Companies Controlled by Council [LG (Gen) Reg Cl 217(1)(a7)]

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Council did not hold a controlling interest in any company during 2019/20

## Partnerships with Other Organisations [LG (Gen) Reg Cl217(1)(a8)]

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Council was not involved in any partnerships, co-operatives or joint ventures during 2019/20, however Council is a member of the following organisations:

### **CivicRisk Mutual**

A self-insurance pool covering public liability, professional indemnity, property and fidelity guarantee risks, enabling member Councils to reduce insurance premiums.

### **Statecover Mutual Insurance**

A self-insurance pool covering workers compensation enabling Council's to reduce premiums and tailor fit injury management.



## Equal Employment Opportunity Management Plan [LG (Gen) Reg CI217(1)(a9)]

Gunnedah Shire Council aims to provide, model and encourage an environment where employees and others in the workplace are treated fairly and with respect.

Council believes that as part of creating this environment it will also provide a range of career and training opportunities.

In July 2020 Council implemented a new Bullying Prevention Management Procedure and a Commitment Statement which every employee will be required to sign.

Council works with local high-school, TAFE and other registered training organisations to examine ways in which we can offer integrated vocational education and training places, work experience and practical placement programs.

This in turn promotes a greater understanding of career opportunities that exist within Council and in local government.

Council has engaged with Veteran’s Affairs networks to advertise vacant positions in accordance with the “Rank 2 Grade” Guide released by LG NSW that promotes employment opportunities for returned ex-service men and women.

As part of Councils EEO approach it has invested in promoting leadership pathways and opportunities for women both internally and externally to the organisation. This has been done by enhancing professional development programs and participation in Leadership training through the Colloquium. As a result it has increased diversity on both the Executive and Leadership teams.

We continue to develop and review our mental health program by consulting with staff and undertaking continual improvement initiatives. We are committed to supporting our organization and their families particularly given the challenges faced during the Covid Pandemic.

In September 2020 Council launched a Health and Wellbeing calendar which focuses on Mental and Physical Health activities. We will review the activities over the coming months and seek feedback to ensure we are providing the support our people need.

Employment demographics have shifted slightly from the statistics reported in the 2017/2018 report; however leadership diversity has increased, especially in areas typically dominated by male staff.

<b>GENDER</b>	<b>NUMBER</b>	<b>PERCENTAGE</b>
Female	75	34.94%
Male	128	63.04%
Other	0	0
<b>TOTAL</b>	<b>203</b>	<b>100%</b>

<b>ABORIGINALITY</b>	<b>NUMBER</b>	<b>PERCENTAGE</b>
Yes	16	7.88%
<b>TOTAL</b>	<b>191</b>	<b>100%</b>

<b>LINGUISTIC DIVERSITY</b>	<b>NUMBER</b>	<b>PERCENTAGE</b>
Yes	8	3.94%
<b>TOTAL</b>	<b>205</b>	<b>100%</b>



## Merit Selection and Anti-discrimination

All successful candidates are selected based on merit, this ensures that Council recruits people with the appropriate skills and experience to help our organization deliver our services to the community. We continually review our recruitment processes to ensure that we comply with our EEO objectives and requirements. All candidates are treated professionally and respectfully.

## EEO and Rehabilitation

Council continues to promote recover at work plans for any employees that have experienced a workplace injury or illness. There are several reasons for doing this, aside from a legal obligation to do so, including that research shows that employees engaged meaningfully in recover at work plans are rehabilitated faster because they are still a valued participant in their workplace. Council is proud of the way we work with injured or ill employees and their nominated treating physicians in getting them back to work in either their full pre-injury/illness capacity, or a suitable alternate role, as safely as possible.

## Remuneration Package – General Manager [LG (Gen) Reg Cl217(1)(b)]

The General Manager's remuneration for 2019/20 consisted of:

Salary	\$256,408.74
Bonus Payments	-
Superannuation	\$24,358.83
Non Cash Benefits	-
Fringe Benefits Tax Payable	\$1,247.68
<b>TOTAL REMUNERATION</b>	<b>\$282,015.25</b>

## Remuneration Package – Senior Staff [LG (Gen) Reg Cl217(1)(c)]

The General Manager is the only officer classified as senior staff. Accordingly, there is no requirement to provide remuneration details on any other staff.

## Stormwater Management Services [LG (Gen) Reg Cl217(1)(e)]

Stormwater management services made available during 2019/20 together with the projected stormwater management services that were proposed to be made available are shown below:

Operational Expenditure	2019/20 Budget	Carryover	Adjust	Total Budget	2018/19 Actual	To Future Works
Stormwater Maintenance and Repair	\$65,500	\$0	\$0	\$65,500	\$67,549.41	\$0

Capital Expenditure	2019/20 Budget	Carryover	Adjust	Total Budget	2018/19 Actual	To Future Works
Boundary Street – Railway Line to Kamilaroi Road	\$446,400	\$0	\$0	\$446,400	\$37,916.57	\$128,482
Development Servicing Plan	\$0	\$19,074	-\$19,074	\$0	\$0	\$0
<b>Total Capital</b>	<b>\$446,400</b>	<b>\$19,074</b>	<b>-\$19,074</b>	<b>\$446,400</b>	<b>\$37,916.57</b>	<b>\$128,482</b>

## Environmental Upgrade Agreements [LGA S54P]

Council did not enter Environmental Upgrade Agreements during 2019/20.



## Special Rate Variation [LGA S508]

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Under Section 508 A (1) of the Local Government Act 1993 Council made application to IPART and received a Special Rate Variation on 11 June 2013. The percentage by which Gunnedah Shire Council may increase its general income for the period from 2013/14 to 2016/17 is 39.72% consisting of the following annual increases:

	Year	Annual Increase in General Income (%)	Cumulative increase in General Income (%)
<b>Y 1</b>	2013/14	9.4	9.4
<b>Y2</b>	2014/15	8.5	18.7
<b>Y3</b>	2015/16	9.5	29.98
<b>Y4</b>	2016/17	7.5	39.72

The percentage increase set out above is subject to the following conditions:

The Council uses the Additional Income for the purposes of:

- Funding debt servicing associated with its capital works Program.
- Improving Financially Sustainability.

### **Capital Expenditure funded by the Special Rate Variation**

Below is a listing of capital projects submitted with the Special Rate Variation and actual expenditure for the years 2013/14 to 2019/20 and comments as to the progress of each project.

### **Long Term Financial Plan – Budget v's Actual 2018/19**

Refer Variance table (see below). This details the SRV budget verses the actual result for 2019/20 with comments for the major variances.



GENERAL FUND INCOME STATEMENT - CONSOLIDATED	LTFP - SRV 2019/20 \$'000	Actual 2019/20 \$'000	Variance	% Variance	Comments (Major Variances)
<b>Income from Continuing Operations</b>					
<b>Revenue:</b>					
Rates & Annual Charges	15,767	15,647	- 120	-0.76%	Additional rateable properties with developments within the shire. This has been offset by a change in categorisation of a mining property reducing Rate income by \$400,000. Since the SRV increases were finalised the rate pegging was 1.5%, 2.3% & 2.7% as opposed to a 3.5% estimate.
User Charges & Fees	7,353	10,918	3,565	48.48%	Additional RMS Revenue for state roads projects. Received \$8.461 mil in 2019/20 which is well above the original LTFP estimate.
Interest & Interest Revenue	919	900	- 19	-2.07%	Additional Investment portfolio earning interest. Portfolio as at 30th June 2020 was \$61 mil which is well above budget projections of the initial LTFP. However the Interest rate project was at 4.5% to 5% but the prevailing interest rates have remained at historical lows with average interest rates for Gunnedah Shire Council is at 1.73%.
Other Revenues	361	700	339	93.91%	Major variances in other Revenues relate to the allocation of the Diesel Fuel rebate and the one off recovery of Bad Debts. Revenues had been effected by COVID 19 during the year and Rental incomes have been removed from other revenues to a separate line item.
Grants & Contributions provided for Operating Purposes	13,314	12,565	- 749	-5.63%	Lower amounts received from the Financial Assistance Grant as a result of lower than estimated increases and as a result of the Federal Government temporary freeze for 3 years.
Grants & Contributions provided for Capital Purposes	391	10,389	9,998	2557.03%	During the 2019/2020 year council received Capital Grants & Contributions Funds for the Drought Funding Relief, Developer Contributions to the Road Network. With the current Economic downturn from COVID 19 the effects of Drought additional funds have been made available to complete major projects within the shire including Showground upgrades, Road funding. These projects were not forecast in the LTFP.
Rental Income	-	118	118	#DIV/0!	This is a new category in 2019/20 as a result of reporting requirements. Previously they were identified in Other Revenues
<b>Other Income:</b>					
Net gains from the disposal of assets	-	-	-		
Joint Ventures & Associated Entities	-	-	-		
<b>Total Income from Continuing Operations</b>	<b>38,105</b>	<b>51,237</b>	<b>13,132</b>		
<b>Expenses from Continuing Operations</b>					
Employee Benefits & On-Costs	14,337	15,260	923	6.44%	Award & internal salary incremented less than anticipated. Staffing requirements constantly under review. Council completed an Organisational review in which led to additional staff costs to Council. As from 2019/20 Staff Training & Travelling Costs are now allocated to Other Expenses.
Borrowing Costs	1,487	719	- 768	-51.65%	Loans initially planned to be taken out have not been taken up due to the improved financial position of Council.
Materials & Contracts	8,789	11,797	3,008	34.22%	Additional Expenditures relating to RMS extra works and this has been off set by Cost reduction initiatives.
Depreciation & Amortisation	8,795	8,632	- 163	-1.85%	Impairment Expense not budgeted in Special Rate Variation
Impairment	-	5	5		
Other Expenses	4,086	2,304	- 1,782	-43.61%	Savings as a result of Cost savings initiatives being put into effect. In Particular Electricity & Telephone, Computer Software and other Project Savings. Staff Training & Travelling are now classified as Other Expenses.
Interest & Investment Losses	-	-	-		
Net Losses from the Disposal of Assets	139	1,552	1,413	1016.55%	The Net losses in line with Special Rate Variation expectation. The losses are as a result of works completed on roads with useful life remaining.
Joint Ventures & Associated Entities	-	-	-		
<b>Total Expenses from Continuing Operations</b>	<b>37,633</b>	<b>40,269</b>	<b>2,636</b>		
<b>Operating Result from Continuing Operations</b>	<b>472</b>	<b>10,968</b>	<b>10,496</b>		
Discontinued Operations - Profit/(Loss)	-	-	-		
Net Profit/Loss from Discontinued Operations	-	-	-		
<b>Net Operating Result for the Year</b>	<b>472</b>	<b>10,968</b>	<b>10,496</b>		
<b>Net Operating Result before Grants and Contributions provided for Capital Purposes</b>	<b>81</b>	<b>579</b>			

**SRV CAPITAL PROJECTS - SUMMARY**

	SRV Budget 2013/14	SRV Budget 2014/15	SRV Budget 2015/16	SRV Budget 2016/17	Total SRV Capital Budget	Actual Expenditure 2013/14	Actual Expenditure 2014/15	Actual Expenditure 2015/16	Actual Expenditure 2016/17	Actual Expenditure 2017/18	Actual Expenditure 2018/19	Actual Expenditure 2019/20	Total Expenditure	Remain
<b>Asset Renewal</b>					-									
Urban, regional and rural roads 1	5,261,224	4,709,501	4,945,436	5,029,299	19,945,460	3,782,316	4,087,101	3,207,475	4,403,112	1,454,957	1,337,280	358,053	18,630,294	1,315,166
Bridges, kerb & gutter 2	411,000	382,000	1,763,000	405,000	2,961,000	299,761	295,514	367,369	784,999	1,213,357	-	-	2,961,000	0
Plant 3	1,905,000	2,005,000	1,805,000	1,755,000	7,470,000	1,944,310	1,601,357	1,321,087	1,762,621	825,625	-	-	7,455,000	15,000
Swimming Pool 4	500,000	1,551,000	6,595,000	-	8,646,000	4,999	176,656	311,983	114,333	4,350,376	3,687,653	-	8,646,000	0
Other (Saleyards, IT, parks & reserves) 5	1,012,531	1,249,159	1,008,940	2,160,867	5,431,497	590,168	415,994	469,933	1,282,835	260,904	290,705	293,576	3,604,115	1,827,382
<b>Total Asset Renewal</b>	<b>9,089,755</b>	<b>9,896,660</b>	<b>16,117,376</b>	<b>9,350,166</b>	<b>44,453,957</b>	<b>6,621,554</b>	<b>6,576,622</b>	<b>5,677,847</b>	<b>8,347,900</b>	<b>8,105,219</b>	<b>5,315,638</b>	<b>651,629</b>	<b>41,296,408</b>	<b>3,157,549</b>
<b>Asset Upgrades</b>														
Public Buildings 6	650,000	40,000	-	-	690,000	20,039	25,583	-	-	-	-	104,510	150,132	539,868
Depot rehabilitation	202,500	21,000	21,000	21,000	265,500	93,500	54,390	29,411	9,043	999	78,157	-	265,500	0
Regional roads	206,000	-	-	-	206,000	182,658	23,342	-	-	-	-	-	206,000	-
Other upgrades (footpaths, cycleways) 7	216,900	1,700,500	1,895,500	145,000	3,957,900	146,820	155,342	124,935	230,166	2,645,157	-	2,304	3,304,724	653,176
<b>Total Asset Upgrades</b>	<b>1,275,400</b>	<b>1,761,500</b>	<b>1,916,500</b>	<b>166,000</b>	<b>5,119,400</b>	<b>443,017</b>	<b>258,657</b>	<b>154,346</b>	<b>239,208</b>	<b>2,646,156</b>	<b>78,157</b>	<b>106,814</b>	<b>3,926,355</b>	<b>1,193,045</b>
<b>New Assets</b>														
Saleyards 8	300,000	-	-	-	300,000	-	-	-	-	-	-	-	-	300,000
Domestic Waste 9	300,000	60,000	75,000	-	435,000	9,392	73,031	-	-	-	-	-	82,423	352,577
Stormwater 10	178,000	38,000	583,000	105,000	904,000	124,768	91,232	220,689	65,601	203,394	143,316	-	849,000	55,000
Other New Assets (parks & reserves, Commercial property) 11	543,700	787,500	502,000	126,500	1,959,700	188,142	305,034	415,230	198,558	-	126,500	-	1,233,464	726,236
<b>Total New Assets</b>	<b>1,321,700</b>	<b>885,500</b>	<b>1,160,000</b>	<b>231,500</b>	<b>3,598,700</b>	<b>322,302</b>	<b>469,297</b>	<b>635,919</b>	<b>264,159</b>	<b>203,394</b>	<b>269,816</b>	<b>-</b>	<b>2,164,887</b>	<b>1,433,813</b>
<b>TOTAL ASSET CAPITAL EXPENDITURE</b>	<b>\$ 11,686,855</b>	<b>\$ 12,543,660</b>	<b>\$ 19,193,876</b>	<b>\$ 9,747,666</b>	<b>\$ 53,172,057</b>	<b>\$ 7,386,873</b>	<b>\$ 7,304,576</b>	<b>\$ 6,468,112</b>	<b>\$ 8,851,267</b>	<b>\$ 10,954,769</b>	<b>\$ 5,663,611</b>	<b>\$ 758,443</b>	<b>\$ 47,387,651</b>	<b>\$ 5,784,406</b>

**Notes:**

1. Significant increases in State Roads projects awarded to Council have resulted in Council needing to reallocate resources to those works.
2. Simons Bridge was completed during 2017-18
3. Plant items which had not reached its changeover date have been held back where not economically beneficial to replace.
4. The Swimming Pool renewal project has commenced following delays associated with ensuring the project met required outcomes within reasonable costs and was completed in December 2018.
5. (a) Fleet Vehicles - Changes to operations and reduction in fleet have resulted in a reduction in changeover costs of \$620,000 over the 4 year period.
5. (b) - Domestic Waste - Improvements in compaction rates at the Waste Management Facility has enabled the deferral of costs for a new cell, and along with the removal of the need for transfer stations, a saving over the 4 year period of \$650,000 has been achieved. It is also noted that costs related to Domestic Waste are funded from Waste Annual Charges and User Fees, and therefore not reliant upon or related to the SRV revenue.
5. (c) Depot Refuelling Facility - changes to operations have enabled a saving of \$544,000 over the 4 year period, with \$200,000 in capital costs being deferred until 2021-22.
5. (d) Saleyards - Costs have been reduced over the 4 year period by \$92,000, with \$20,000 of that being for a Nightwatchman Building. These costs are entirely funded from Saleyards revenue and not the SRV.
6. Works to the value of \$644,000 have not proceeded which relate to the renewal of the Elgin Street office complex and second storey of the Town Hall. Master Plan has been completed for the Town Hall and further progress depending on funding. The Administration Building is in progress with design being prepared.
7. (a) Information Technology - Savings of \$205,000 have been realised in Information Technology equipment and software costs over the 4 year period.
7. (b) Blackjack Creek - \$2.9 million of costs related to this project has now been finalised.
7. (c) Amenities - \$114,000 for the extension of the Donnelly Fields Amenities Block now finalised.
8. Holding Pens to the value of \$300,000 are currently no longer required. Saleyards costs are funded entirely from Saleyards operations and do not rely upon or relate to the SRV.
9. Due to a review of operational requirements at Council's Domestic Waste Management sites, the projects related to these costs are no longer required and savings have been realised. These costs are not funded from the SRV.
10. These costs, related primarily to the George Street Drainage Line which is now complete.
11. \$400,000 related to the purchase of carpark land has been held in restricted asset until the further review of car parking requirements within the Shire.

**General**

All actual expenditure is only showing to the extent of the Original SRV Budget. Any additional expenditure expenditure is not reflected in this report.



# Capital Works Report [LG Capital Expenditure Guidelines 2010]

Gunnedah Shire Council is required to report on Capital Projects as outlined in the Capital Expenditure Guidelines. These Guidelines require reporting on the following basis:

*“Councils are required to undertake a capital expenditure review for projects that are not exempt and cost in excess of 10% of Council’s annual ordinary rates revenue or \$1 million (GST exclusive), whichever is greater. There are additional requirements for non-exempt capital projects where the project costs are expected to exceed \$10 million (GST exclusive).”*

During the 2019/20 financial year Gunnedah Shire Council had nil project in the greater than \$10 million cost (GST exclusive).

Projects greater than \$1million but less than \$10million:

### ***Koala Park and Education Centre***

- Budget - \$6,480,000
- Actual expenditure to 30 June 2020 - \$91,039.95

### ***Automatic Water Meter Reader***

- Budget - \$1,750,000
- Actual expenditure to 30 June 2020 – \$1,594,654.24

### ***Gunnedah to Curlewis Pipeline***

- Budget - \$5,920,000
- Actual expenditure to 30 June 2020 - \$5,207,841.96

### ***Livvi’s Place Inclusive Playground***

- Budget - \$1,662,084
- Actual expenditure to 30 June 2020 \$1,660,867.36

### ***Bloomfield Street Reconstruction***

- Budget - \$4,000,000
- Actual expenditure to 30 June 2020 - \$3,844,257.58

### ***Gunnedah Showground Community Infrastructure***

- Budget - \$1,055,716
- Actual expenditure to 30 June 2020 - \$532,030.64

### ***Grain Valley Way***

- Budget - \$8,200,000
- Actual expenditure to 30 June 2020 - \$3,570,381.67

### ***Mystery Road Upgrade***

- Budget - \$3,015,000
- Actual expenditure to 30 June 2020 - \$58,705.00

### ***Clifton Road Upgrade***

- Budget - \$9,819,000
- Actual expenditure to 30 June 2020 - \$358.00

Projects Exempt under the guidelines but still noted.



Below are details of major Gunnedah Shire council capital expenditure for 2019/20 in excess of \$150,000:

▪ Corporate and Community Services – Property Acquisition	\$376,983.08
▪ Plant – Water Tanker – UD Quon – P560	\$261,651.83
▪ Plant – Grader Caterpillar 12M – P505	\$362,600.04
▪ Plant – Grader Caterpillar 12M – P506	\$362,600.04
▪ Plant – Recycle Truck – Volvo – P572	\$340,273.48
▪ Plant – Isuzu Jetpatcher FV2 260-300	\$367,834.44
▪ Parks and Gardens – Showground Grandstand & Amenities	\$183,200.02
▪ Sporting Grounds – Donnelly Fields Lighting	\$219,840.30
▪ Swimming Pool – Strategic Additions	\$242,252.97
▪ Gunnedah Water – Main Replacement South Street	\$164,290.15
▪ Mullaley Water – Reservoir Works	\$158,818.46
▪ Gunnedah Sewer – Mains Relining	\$204,525.13
▪ Depot – Wash Down Bay	\$211,119.77
▪ Footpaths/Bike Tracks – Wandobah Road Cycleway	\$158,179.98
▪ Urban Roads – Chando/Barber Street Roundabout	\$280,278.16
▪ Regional Roads – Blackstump Way Reconstruction	\$254,361.45
▪ Rural Sealed Roads – Ghooli Road Reconstruction	\$506,124.12
▪ Rural Sealed Roads – Clifton Road	\$332,824.49
▪ Rural Sealed Roads – Reseal Old Bluevale Road	\$281,759.18
▪ Rural Sealed Road – Bluevale Road Reconstruction	\$491,838.68
▪ Rural Unsealed Roads – Quia Station Road Resheeting	\$184,324.63
▪ Stormwater – George Street	\$198,048.77

## Companion Animal Management [LG (Gen) Reg Cl 217 (1)(f)]

Gunnedah Shire Council employs a dedicated Animal Control Officer and a Compliance Officer to carry out random, targeted, and reactive patrols of the Shire and respond to customer service requests in relation to companion and other animals. The Regulatory Services team works closely with local veterinary clinics, the local RSPCA branch, and approved re-homing organisations to foster and rescue unclaimed impounded animals.

A grant of \$4,000 was received in 2019/20 to assist Council with management of the Animal Impound Facility during COVID-19. Grant funding was expended on chemical dispensing systems, plumbing and hot water upgrades and building maintenance, to improve the welfare and management of impounded animals.

An off-leash park is designed for companion animals and owners to enjoy open space.

DESCRIPTION	ORIGINAL ESTIMATE 2018/19	ACTUALS TO 2019	ORIGINAL ESTIMATE 2019/20	ACTUALS TO 2020
Expenditure				
• Impound and control companion animals	\$156,327.00	\$151,368.76	\$154,212.00	\$146,179.21
• Dog and cat pound M&R	\$5,725.00	\$8,351.90	\$9,001.00	\$6,341.32
• Depreciation	\$1,613.00	\$49.84	\$4,000.00	\$454.80
• Overheads – corporate support	\$88,920.00	\$67,186.47	\$112,040.00	\$68,880.18
<b>TOTAL EXPENDITURE</b>	<b>\$252,585.00</b>	<b>\$226,956.97</b>	<b>\$279,253</b>	<b>\$221,855.51</b>
Revenues				
Companion animals – registration fees	\$15,000.00	\$23,772.80	\$22,167.00	\$15,825.60
Dogs – impounding fees	\$5,000.00	\$4,063.00	\$4,410.00	\$15,529.00
Dogs – fines and costs	\$20,000.00	\$16,136.48	\$14,029.00	\$8,168.43
Dogs – sales	-	-	-	-
Equipment hire	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$40,000.00</b>	<b>\$43,972.28</b>	<b>\$41,579.00</b>	<b>\$43,820.82</b>

SUMMARY OF POUND DATA	DOGS	CATS	TOTAL
Seized and transferred to Council's facility	203	145	348



Returned to Owner	0	0	0
Dumped	0	0	0
Surrendered by owners	9	0	9
Euthanized	56	118	174
Sold	0	0	0
Released for rehoming	101	36	137
Died at Council facility	0	0	0
Stolen or escaped from Council facility	0	0	0
Holding pending Court Action	0	0	0

## Planning Agreements [EPA S93G(5)]

The following planning agreements were in place during the 2019/20 financial year:

DEVELOPMENT	LAND	PARTIES TO AGREEMENT	DESCRIPTION OF AGREEMENT
Mary's Mount Quarry	Lot 161 DP755508 'Burleith' 244 Pownell Road Mullaley NSW2379	Gunnedah Quarry Products Pty Ltd	Road upgrades and payment of monetary contribution to Council per tonne of product freighted on Council roads for road maintenance.
Carroll Cotton Gin	Lot 1 DP878018 1875 Cifton Road Carroll NSW 2340	Carroll Cotton Company	Payment of monetary contribution to Council per tonne of product freighted on Council roads for road maintenance.
Vickery Extension Project	Land listed in the development consent granted for the Vickery Extension Project development application "SSD 7480"	Vickery Coal Pty Ltd Whitehaven Coal Limited	Payment of financial contribution to Council to mitigate against the impacts of the development.

## Private Swimming Pools [Swimming Pools Act 1992 s22F(2)] [Swimming Pools Regulation 2008 (SP Reg)( cl 18BC)]

DETAILS OF INSPECTIONS	2018/19
Number of inspections of tourist and visitor accommodation	3
Number of inspections of premises with more than two dwellings	0
Number of inspections that resulted in issuance of a certificate of compliance under section 22D of the Act	18
Number of inspections that resulted in issuance of a certificate of non-compliance under clause 18BA of the Regulation	1

## Carer Recognition [Carer Recognition Act 2010 S8(2)]

Council human resource and equal employment opportunity policies fully reflect the principles embedded in the Carer Recognition Act 2010.

Council has carer's leave available for employees who are unable to attend work because of their caring role. If an employee has exhausted all sick leave when performing their caring role other leave may be used which enables the employee to continue in their caring role.

Under some circumstances, flexible working hours have been granted to staff which enables these employees to perform their caring role. These flexible working hours have not impacted on the operation of the business.



Council complies with the:

- Carer Recognition Act 2010
- Disability Inclusion Act 2014

## Disability Inclusion [Disability Inclusion Act 2014 S13(1)]

On 21 June 2017, Council endorsed the 2017-2021 Disability Inclusion Action Plan, articulating a clear set of priority actions aimed at enhancing access and participation for all over the next four years. The Plan has been developed in consultation with over 340 internal and external stakeholders, and provides Council with an opportunity to assist residents and visitors of all abilities to actively engage with, and contribute to, the diverse fabric of the Shire.

## Conditions of Assets [LG Planning and Reporting Manual 2013]

Gunnedah Shire Council is responsible for assets with a current total replacement value of \$628 million and a Net Carrying Amount of \$447 million. These assets assist Council to deliver services to the community. Local Governments throughout Australia face issues surrounding the managing of ageing assets in need of renewal and replacement. Infrastructure assets including roads, drainage, bridges, water and sewerage present particular challenges. The condition and longevity can be difficult to determine.

The demand for services has always been greater than the funds to provide services and a constant process of evaluation is required. This is not just in the creation of new assets, but how we manage assets already providing a service to ensure this continues.

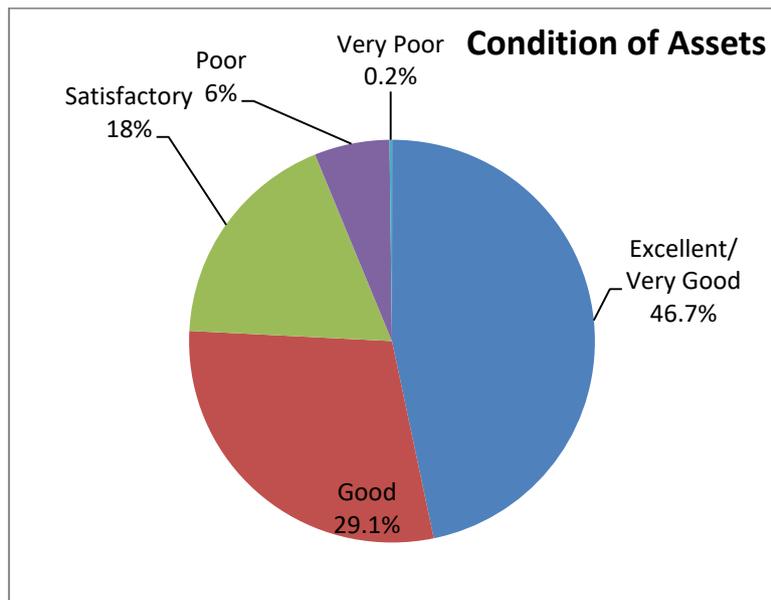
Council rates assets on a condition scale from 1 to 5 as follows:

GRADE	CONDITION	DESCRIPTION
1	Excellent/Very Good	New or as new condition. Only normal cyclic maintenance required. Negligible wear and/or undamaged or damaged repaired to original condition.
2	Good	Sound condition with some wear and tear. Minor maintenance required along with normal cyclic maintenance. Minor components may need replacement. Low risk to safety, environment or reputation due to asset condition.
3	Satisfactory	Significant deterioration evident. Maintenance other than normal cyclic maintenance required on a regular basis to sustain asset. Minor failures may be occurring. Condition is impacting performance of the asset. Risk to safety, environment or reputation due to asset condition within tolerable limits but requires high level of maintenance.
4	Poor	Failure likely in short term. Asset not performing required function or not performing function without significant additional maintenance activity on top of normal cyclic maintenance. Risk to safety, environment or reputation due to asset condition approaching tolerable limits. Significant renewal or replacement required.
5	Very Poor	Failure occurred or failure imminent. Risk to safety, environment or reputation due to asset condition beyond tolerable limits. Urgent need for renewal of major components, replacement or removal of asset.

The results below show that the majority of Council's assets (75.8%) are rated at condition 1 or 2, Good to Excellent. A further 18% are rated as Good condition requiring a higher level of maintenance. Of the remainder 6% are rated as Poor and 0.2% as Very Poor urgently requiring renewal or upgrade to the asset.



Asset condition as at 30 June 2020:



Council's capital works program is prepared following a review of asset renewal requirements, in conjunction with Council's vision. The report on Infrastructure Assets is prepared in conjunction with the Annual Financial Statements and details the current replacement cost for each asset category, funding required for maintenance at a satisfactory level, the estimated depreciation replacement cost of infrastructure and condition rating for each class of asset.

### Report on Infrastructure Assets as at 30 June 2020

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard \$ '000	Estimated cost to bring assets agreed level of service set by Council maintenance * \$ '000	2019/20 Required maintenance \$ '000	2019/20 Actual maintenance \$ '000	Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
<b>(a) Report on Infrastructure Assets - Values</b>												
Buildings	Buildings	26	26	463	211	32,410	52,297	18.9%	48.4%	32.0%	0.7%	0.1%
	<b>Sub-total</b>	<b>26</b>	<b>26</b>	<b>463</b>	<b>211</b>	<b>32,410</b>	<b>52,297</b>	<b>18.9%</b>	<b>48.4%</b>	<b>32.0%</b>	<b>0.7%</b>	<b>0.1%</b>
Other structures	Other structures	-	-	273	246	3,845	6,501	28.9%	60.5%	1.9%	8.8%	0.0%
	<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>273</b>	<b>246</b>	<b>3,845</b>	<b>6,501</b>	<b>28.9%</b>	<b>60.5%</b>	<b>1.9%</b>	<b>8.8%</b>	<b>0.0%</b>
Roads	Urban Roads	-	-	669	531	42,147	53,547	54.7%	21.1%	24.0%	0.2%	0.0%
	Rural Sealed Roads	-	-	953	808	64,594	76,238	67.7%	16.1%	15.7%	0.5%	0.0%
	Rural Unsealed Roads	-	-	1,163	2,176	80,733	93,023	66.3%	8.7%	24.6%	0.4%	0.0%
	Bridges / Culverts	678	678	357	4	27,320	42,341	43.3%	38.4%	7.6%	9.7%	0.0%
	Footpaths	-	-	114	48	7,087	9,113	63.7%	27.0%	8.9%	0.4%	0.0%
	Other road assets	-	-	16	5	3,508	4,451	43.8%	53.6%	2.6%	0.0%	0.0%
	<b>Sub-total</b>	<b>678</b>	<b>678</b>	<b>3,272</b>	<b>3,572</b>	<b>225,389</b>	<b>278,713</b>	<b>60.5%</b>	<b>19.1%</b>	<b>18.6%</b>	<b>1.8%</b>	<b>0.0%</b>
Water supply network	Water supply network	1,869	1,869	718	1,065	45,179	72,460	36.4%	39.9%	12.1%	10.6%	1.0%
	<b>Sub-total</b>	<b>1,869</b>	<b>1,869</b>	<b>718</b>	<b>1,065</b>	<b>45,179</b>	<b>72,460</b>	<b>36.4%</b>	<b>39.9%</b>	<b>12.1%</b>	<b>10.6%</b>	<b>1.0%</b>
Sewerage network	Sewerage network	-	-	786	461	34,778	63,438	31.3%	32.4%	7.0%	29.3%	0.0%
	<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>786</b>	<b>461</b>	<b>34,778</b>	<b>63,438</b>	<b>31.3%</b>	<b>32.4%</b>	<b>7.0%</b>	<b>29.3%</b>	<b>0.0%</b>
Stormwater drainage	Stormwater drainage	-	-	350	68	25,017	35,019	46.4%	25.2%	28.4%	0.0%	0.0%
	Kerb & Gutter	-	-	354	6	13,679	28,343	23.4%	68.6%	7.0%	1.0%	0.0%
	<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>704</b>	<b>74</b>	<b>38,696</b>	<b>63,362</b>	<b>36.1%</b>	<b>44.6%</b>	<b>18.8%</b>	<b>0.4%</b>	<b>0.0%</b>
Open space / recreational assets	Swimming pools	-	-	155	58	9,280	10,394	73.9%	14.8%	0.0%	11.3%	0.0%
	Other Recreational Assets	566	566	94	850	4,761	7,828	43.0%	11.4%	37.8%	0.4%	7.4%
	<b>Sub-total</b>	<b>566</b>	<b>566</b>	<b>249</b>	<b>906</b>	<b>14,041</b>	<b>18,222</b>	<b>60.6%</b>	<b>13.3%</b>	<b>16.2%</b>	<b>6.6%</b>	<b>3.2%</b>
Other infrastructure assets	Aerodrome	-	-	138	-	1,986	6,971	31.7%	0.4%	67.7%	0.2%	0.0%
	Car Parking	-	-	29	11	597	1,349	6.2%	91.7%	2.1%	0.0%	0.0%
	<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>167</b>	<b>11</b>	<b>2,583</b>	<b>8,320</b>	<b>27.6%</b>	<b>15.2%</b>	<b>57.1%</b>	<b>0.2%</b>	<b>0.0%</b>
<b>TOTAL - ALL ASSETS</b>		<b>3,139</b>	<b>3,139</b>	<b>6,632</b>	<b>6,546</b>	<b>396,921</b>	<b>563,313</b>	<b>46.7%</b>	<b>29.1%</b>	<b>18.0%</b>	<b>6.0%</b>	<b>0.2%</b>

(\*) 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



# Financial Summary [LG Planning and Reporting Manual 2013]

Attached to this 2019/20 Annual Report is a copy of Gunnedah Shire Council's Financial Statements including the General Purpose Financial Statements, Special Purpose Financial Statements and the Special Schedules. This also includes a Report on the Conduct of Audit for the year ended 30 June 2020 prepared by the Audit Office of New South Wales.

## OPERATING RESULT:

Council's Net Operating Result for the 2019/20 year is \$13.432 million after Grants and Contributions which compares with \$12,940 million for the year ended 2018/19.

Council's Net Operating Result before Capital Grants and Contributions is \$1.926 million compared to \$7.743 million for the year ended 2018/19.

## INCOME:

Below is a detailed summary of Income from Continuing Operations in 2019/20 and variations from 2018/19 and a brief explanation of the variances:

TYPE	2019/20 \$'000	2018/19 \$'000	Percentage Change
Rates and Annual Charges	\$18,770	\$18,178	3.26%
User Charges and Fees	\$15,697	\$12,369	26.91%
Interest and Investment Revenue	\$1,363	\$1,713	-20.43%
Other Revenues	\$868	\$3,182	-72.72%
Grants and Contributions provided by Operating Purposes	\$12,668	\$11,549	9.69%
Grants and Contributions provided for Capital Purposes	\$11,506	\$5,197	121.40%
Net gains from the disposal of assets	\$0	\$0	\$0
Rental income	\$118	\$0	100.0%
<b>TOTAL INCOME FROM CONTINUING OPERATIONS</b>	<b>\$60,990</b>	<b>\$52,188</b>	<b>16.87%</b>

- Rate Pegging for the 2019/20 year was 2.7%.
- User Fees and charges – resulted in an overall increase of \$3.328 million. The increase in User Fees and Charges was due in part to an increase in RMS charges from \$4.744 million in 2018/2019 to \$8.461 million in 19/20 increasing by 3.717 million due to the construction of the Boundary Road roundabout. Water usage charges have decreased by \$171,000 from \$3.634 million in 2018/19 to \$3.463 million in 2019/20 due to the increased rainfall during the year and saleyards income decreased by \$100,000 with a decrease in cattle going through the yards due to the ongoing drought. These being the major variances.
- Interest and Investments – despite historically low interest rates council funds have increased during the year to \$61.687 million as at 30 June 2020 as compared to \$57.100 million as at 30 June 2019. Total Interest Income decreased from \$1.713 million in 2018/19 to \$1.363 million in 2019/20. Council has continued its longer term investment plan this year in a bid to attract higher interest rates.
- Operating Grants and Contributions – have increased slightly from \$11.549 million in 2018/19 to \$12.668 million in 2019/20. Grants for GoCo and road funding have continued in the 2020 year along with additional grants for the drought communities aid and community improvement services such as weed control, street lighting, and library books.
- Capital Grants and Contributions – have increased from \$5.197 million in 2018/19 to \$11.506 million in 2019/20. Major capital grants received were: Stronger Communities Showground Grant for \$465,368; \$7.174 million for Roads funding including Grain Valley Road upgrade, Bloomfield Street Reconstruction, Curlewis Pipeline \$817,179; and Livvi's Playground \$569,500.
- Other Revenues – have decreased from \$3.182 million in 2018/19 to \$868,000 in 2019/20. The main reason for this decrease is for a one-off adjustment back in provisions due to Council reassessing the remediation of



landfills with a proposed change to a Phytocapping landfill remediation process causing a \$2.288 million increase in other revenues in the 2019 financial statements.

#### EXPENSES:

Below is a detailed Summary of Operating Expenses from Continuing Operations for 2019/20 and variations from 2017/18 and a brief explanation of the variances:

TYPE	2019/20 \$'000	2018/19 \$'000	Percent Change
Employee Benefits and On-Costs	\$16,436	\$14,711	11.73%
Borrowing Costs	\$719	\$813	-11.56%
Materials and Contracts	\$12,876	\$8,813	46.10%
Depreciation and Amortisation	\$10,434	\$10,039	3.93%
Impairment	\$5	\$30	-83.33%
Other Expenses	\$3,778	\$3,728	1.34%
Net Losses from the Disposal of Assets	\$3,310	\$1,114	197.13%
	<b>\$47,558</b>	<b>\$39,248</b>	<b>22.68%</b>

- Employee Costs have increased by \$1.725 million mainly due to an organisation restructure. Full time employees have increased to 196 from 181 as at 30 June 2020.
- Borrowing Costs reflecting the low loan Portfolio balance held by Council which will assist Councils capacity to borrow into the future.
- Materials and Contract –this increase can be attributed to the fact Council is performing more operational as opposed to capital work.
- Depreciation and Amortisation – Plant and equipment depreciation has increased due to new plant being purchased to meet council's asset management plan.
- Other Expenses remains relatively constant.
- Net Losses from the Disposal of Assets reflects remaining life of infrastructure assets that have been renewed or upgraded.

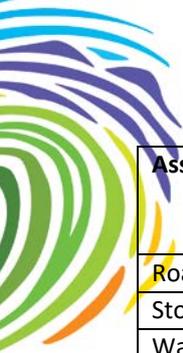
#### ASSETS:

Council has net assets under its control as at 30 June 2020 of \$488,859 million being an increase of \$16,189 million from 30 June 2019.

The majority of this figure relates to Infrastructure, Property, Plant, and Equipment of \$447.038 million.

With such a large Asset base, on average, these assets are consumed at a rate of \$10.434 million per annum. With depreciation representing 21.94% of Councils annual operating expenditure, it is critical that capital expenditure and maintenance of these assets are undertaken in an informed, responsible and accountable manner.

The below table represents the Major classes of Assets, Fair Value replacement cost, Accumulated Depreciation (Deterioration), Written Down Value and a percentage of deterioration:



Asset Type	Fair Value \$'000	Accumulated Depreciation \$'000	Written Down Value \$'000	Accumulated Depreciation/FV %'000
Roads, Bridges, Footpaths	\$287,032	\$59,060	\$227,972	20.58%
Stormwater Drainage/Kerb and Gutter	\$63,362	\$24,666	\$38,696	38.93%
Water Supply Network	\$72,460	\$27,281	\$45,179	37.65%
Sewerage Network	\$63,438	\$28,660	\$34,778	45.18%
Buildings and Other Structures	\$77,020	\$26,724	\$50,296	34.70%
Plant and Equipment	\$20,696	\$10,623	\$10,073	51.33%
Land/Land Improvements	\$20,503	\$0	\$20,503	N/A
Other Assets	\$23,961	\$4,420	\$19,541	18.45%
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT and EQUIPMENT</b>	<b>\$628,472</b>	<b>\$181,434</b>	<b>\$447,038</b>	<b>28.87%</b>

### CASH and CASH EQUIVALENTS

Council has a total of cash, cash equivalents and investments totalling \$61.687 million as at 30 June 2020 which is an increase of \$4.587 million from 30 June 2019 where they totalled \$57.100 million. The increase is as a result of increased grants and contributions funds being received during 2019/20.

Whilst Council's investments appear healthy, the majority of funds are either restricted by external legislation (\$41.631 million) or by Internal Policy (\$16.884 million) which only leaves \$1.172 million of investments as unrestricted.

Major External Restrictions include as follows:

- Developer Contributions – S94 - \$2.266 million.
- Developer Contributions – S64 - \$6.573 million.
- Water Supplies – Gunnedah, Curlewis, Mullaley and Tambar Springs - \$8.578 million.
- Sewerage Schemes – Gunnedah & Curlewis - \$8.824 million.
- Waste Management Facilities - \$10.559 million.
- Unexpended Grants - \$3.191 million.

Internal Restrictions include as follows:

- Plant Replacement Reserves - \$1.849 million.
- Employee Entitlement Reserves - \$1.637 million.
- Future Works - \$2.193 million.
- Saleyards - \$1.385 million.
- Advance Payment of the Financial Assistance Grant - \$2.439 million.
- GoCo Funds (Excluding Grants) - \$3.625 million
- Building Works Reserve - \$1.060 Million.

### KEY FINANCIAL RESULTS SUMMARY (2018/19):

- Operating Result from Continuing Operations is \$13.432 million Surplus.
- Operating Result before Capital Funding is \$1.926 million Surplus.
- Net Assets Increased by \$16.189 million to \$488.859 million.
- Total Expenses from Continuing Operations increased by \$8.310 million to \$47.558 million.
- Total Revenue from Continuing Operations increased by \$8.802 million to \$60.990 million.
- Infrastructure, Property, Plant & Equipment increased by \$9.907 million to \$447.038 million. (Including revaluation increments of \$4.832 million).
- Borrowings decreased by \$543,000 to \$12.031 million.
- Provisions (Leave Entitlements) increased by \$527,000 to \$5.708 million.



## PERFORMANCE INDICATORS:

Below are the Local Government Industry Indicators which indicated Council performances are within acceptable ranges:

Performance Indicators	2019/20	2018/19	2017/18	2016/17
Operating Performance Ratio	10.59%	18.91%	14.98%	19.95%
Own Source Operating Revenue Ratio	60.36%	67.91%	60.99%	65.11%
Unrestricted Current Ratio	3.32x	2.76x	4.66x	4.86x
Debt Service Cover Ratio	11.76x	14.85x	12.69x	18.66x
Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage	5.05%	4.28%	3.84%	4.34%
Cash Expense Ratio	20.95 months	19.17 months	23.53 months	27.45 months

- 1. Operating Performance Ratio** – *This ratio measures Council's achievement of containing operating expenditure within operating revenue.* Gunnedah Shire Council continues to maintain operating expenditures within Operating revenues.

Local Government Benchmark  $\geq$  0.00%.

- 2. Own Source Operating Revenue Ratio** – *This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.* Gunnedah Shire Council continues to maintain a reliance on its own funding such as rates and not totally on grants and contributions. The result for 2019/20 is 60.36% which is above the benchmark of 60%.

Local Government Benchmark  $\geq$  60.00%.

- 3. Unrestricted Current Ratio** – *is the total cash or cash convertible assets available to meet obligations in the short term.* Gunnedah Shire Council remains in a healthy position with a ratio of 3.32x and should meet obligations as they fall due. This ratio has been affected by the income adjustment for Landfill Provisions.

Local Government Benchmark  $\geq$  1.5

- 4. Debt Service Ratio** – *The amount used to repay borrowings as a percentage of total income from continuing excluding capital contributions and capital grants, and specific purpose contributions and grants.* Gunnedah Shire Council has not taken out any additional loans during 2019/20. The ratio has increased from 14.85% to 11.75% which is above the Local Government benchmark of 2%. Council still remains in a strong position to take out additional loans when required.

Local Government Benchmark  $\geq$  2.00

- 5. Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage** – *This percentage is based on the amount outstanding as a percentage of the amount to be collected for rates and annual Charges for the current year and outstanding from the previous years.* Gunnedah Shire Council rating staff has continued their push to collect outstanding debts, however due to the ongoing drought and COVID-19 pandemic (where debt collection procedures have been put on hold) the ratio has increased from 4.28% to 5.05%. This figure still remains under the Local Government benchmark for country Councils of 10%.

Local Government Benchmark  $<$  10.00 %

- 6. Cash Expense Ratio** – *this liquidity ratio measures the number of months Council can continue paying for immediate expenses without additional cash flow.* Council has invested in safe and liquid term deposits and is sitting at 20.95 months which is well set to meet its obligations. The reduction is a result of the large capital expenditure program.

Local Government Benchmark  $>$  3.00



Below are the Local Government Industry Indicators which Report on Councils Infrastructure Assets:

Infrastructure Assets Indicators	2019/20	2018/19	2017/18	2016/17
Infrastructure Renewals Ratio	63.58%	164.95%	184.41%	91.60%
Infrastructure Backlog Ratio	0.79%	1.67%	1.71%	2.44%
Asset Maintenance Ratio	98.70%	107.94%	111.96%	120.24%
Cost to bring assets to agreed service level	0.56%	1.19%	1.24%	1.59%

1. **Infrastructure renewals ratio** – *This ratio assesses the rate at which these assets are being renewed relative to the rate at which they are depreciating.* Gunnedah Shire Council objective is to match spending on infrastructure renewals with their systematic deterioration. Council has achieved 63.58% this year which is in line with our objective of 100%, Council still maintains an average of 100% over the long term. More information can be obtained from Council’s Strategic Asset Management Plans.

Local Government Benchmark >= 100.00%

2. **Infrastructure Backlog Ratio** – *This ratio shows what proportion the backlog is against the total value of Councils Infrastructure.* Gunnedah Shire Council is sitting at 0.79% which shows a reducing trend to show Council continues to tackle the Infrastructure backlog and significant inroads have been made.

Local Government Benchmark <2.00%

3. **Asset Maintenance Ratio** – *This ratio compares the actual expenditure v’s the required expenditure on asset maintenance.* Gunnedah Shire Council is sitting at 98.70% and is committed to maintaining its current assets and achieved a ratio of 98.70%.

Local Government Benchmark >100%

4. **Cost to bring assets to agreed service level** – *This ratio provides a snapshot of the proportion of outstanding renewal works compared to total value of assets under Council’s care and stewardship.* Gunnedah Shire Council is sitting at 0.56% and is maintaining assets to the agreed service levels and achieved a ratio of 0.56%.

## Privacy and Personal Information Protection [Annual Reports (Statutory Bodies) Regulation 2015 Cl8]

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### **Statement of the action taken in complying with the requirements of the Act**

The Privacy and Personal Information Protection Act provides for the protection of personal information and for the protection of the privacy of individuals. It establishes 12 Information Protection Principles which cover the collection, storage, use, disclosure of and access to an individual’s personal information.

Council reviewed and adopted the Model Privacy Management Plan for Local Government on 20 March 2013. The updated plan incorporated the requirements of the Health Records and Information Privacy Act and includes reference to the Government Information (Public Access) Act. A copy of the Plan has been distributed to all Managers and posted on the staff intranet and on Council’s website.

### **Statistical details of any review conducted by or on behalf of the Council**

There were no applications for review of Council’s actions under the Privacy and Personal Information Protection Act or the Health Records and Information Privacy Act during 2019/20.



Gunnedah Shire Council

**Government Information  
(Public Access) Act  
Annual Report 2019/20**

Clause 8A: Details of the review carried out by the agency under section 7 (3) of the Act during the reporting year and the details of any information made publicly available by the agency as a result of the review

Reviews carried out by the agency	Information made publicly available by the agency
Yes	Yes

Gunnedah Shire Council is committed to accountability and openness, as embodied in Council’s organisational values “Open, Accountable and Customer Satisfaction”. These values are a seamless part of daily business, with procedures in place to ensure decision-making is accountable and corporate information is readily available. Our staff are also an integral part of living these values. Council has a number of direct communication tools for making information accessible, including Council’s website and social media channels. The website is a readily available platform for information including contact details, information about services, projects and new decisions, publication of draft and finalised policies, agendas and papers of council meetings and annual reports. In addition, our customer service team are available by phone or in person to answer queries, and printed copies of matters for public review are available at council facilities. Requests for access to information that cannot be sourced from Council’s website may be made verbally or in writing. In order to reduce costs to customers, Council encourages applications to be made, in the first instance, under the informal request provisions of the GIPA Act. During the reporting period, the program was reviewed by: i) Regular monitoring of Council’s website and Facebook for content and currency of information, paying particular attention to ensuring the timely release of information relating to new proposals, developments, programs, services and initiatives of Council. ii) Maintain website and Facebook to ensure the community has access to accurate and timely information on activities, events, hot topics and news. iii) Briefing customer service staff, management, and new staff to reinforce Council’s open and accountable ethos, combined with Council’s responsibilities under the GIPA Act and its relationship to other legislation that restricts access to certain information such as the Privacy & Personal Information Protection Act, Health Records & Information Privacy Act and the Companion Animals Act. iv) Checking Council’s Access to Information procedures to ensure they are operationally efficient and effective. v) Analysing informal requests and formal Access Applications to evaluate if it is possible to proactively release this information, given Council’s technological and human resource capabilities. vi) Provide Development Application information online. vii) All of these processes were reviewed at the time of the COVID-19 lockdown when the Council’s administration centre was closed and it was not possible to provide face-to-face customer service and printed copies of documents for viewing/feedback. In these circumstances, customer service staff were still available through the regular number, and documents were provided on the website with advertising where appropriate. During the reporting period, Council continued to proactively release information, in addition to the statutory release of open access information, by: i) Reporting to the community through prominent display on its website (which are forwarded to local radio and newspapers) details of proposed activities, policies and strategies which invites community feedback during the decision-making process. ii) Publishing a monthly page in the Namoi Valley Independent newspaper highlighting matters of importance to the community and another in At the Coalface Newspaper about once a month. iii) Participating in fortnightly broadcasts on local radio station 2MO, providing an opportunity for the Mayor or his representative to comment on key events, activities and news items. iv) Providing opportunity for community engagement through community forums, workshops, written submission processes, online surveys, pop-up info stands and social media. Where feasible,

community engagement was deferred during the COVID-19 lockdown period. v) Calendar of Events for the Tourism website and Civic website. vi) Hosting a range of community events promoting what we do and enhance community engagement. vii) Releasing a weekly Library Lines newspaper promoting news, events and library updates. viii) Developing and distributing a fortnightly Civic newsletter and Civic movie program highlighting upcoming cultural events, exhibitions and movie times. ix) Development of an online local business platform through Localised to provide important information for businesses, and a newsletter for business subscribers. x) Maintaining an active social media platform through Facebook, allowing for two-way communication between Council and the community. Specific attention is given to alerting the community to community engagement matters, new draft policies and reports and new projects. xi) Maintaining noticeboard displays in key Council buildings including Administration Building, Library and the Civic Precinct. xii) Maintaining a process for an online DA tracking facility on Councils website.

Clause 8B: The total number of access applications received by the agency during the reporting year (including withdrawn applications but not including invalid applications)

Total number of applications received
3

Clause 8C: The total number of access applications received by the agency during the reporting year that the agency refused either wholly or partly, because the application was for the disclosure of information referred to in Schedule 1 to the Act (information for which there is conclusive presumption of overriding public interest against disclosure)

Number of Applications Refused	Wholly	Partly	Total
	0	0	0
% of Total	0%	0%	

Schedule 2 Statistical information about access applications to be included in annual report

Table A: Number of applications by type of applicant and outcome\*

	Access Granted in Full	Access Granted in Part	Access Refused in Full	Information not Held	Information Already Available	Refuse to Deal with Application	Refuse to Confirm/Deny whether information is held	Application Withdrawn	Total	% of Total
Media	0	0	0	0	0	0	0	0	0	0%
Members of Parliament	0	0	0	0	0	0	0	0	0	0%
Private sector business	0	0	0	0	0	0	0	0	0	0%
Not for profit organisations or community groups	0	0	0	0	0	0	0	0	0	0%
Members of the public (by legal representative)	0	1	0	0	0	0	0	0	1	33%
Members of the public (other)	0	1	1	0	0	0	0	0	2	67%
Total	0	2	1	0	0	0	0	0	3	
% of Total	0%	67%	33%	0%	0%	0%	0%	0%		

\* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of applications by type of application and outcome\*

	Access Granted in Full	Access Granted in Part	Access Refused in Full	Information not Held	Information Already Available	Refuse to Deal with Application	Refuse to Confirm/Deny whether information is held	Application Withdrawn	Total	% of Total
Personal information applications*	0	2	0	0	0	0	0	0	2	67%
Access applications (other than personal information applications)	0	0	0	0	0	0	0	0	0	0%
Access applications that are partly personal information applications and partly other	0	0	1	0	0	0	0	0	1	33%
Total	0	2	1	0	0	0	0	0	3	
% of Total	0%	67%	33%	0%	0%	0%	0%	0%		

\* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table C: Invalid applications

Reason for invalidity	No of applications	% of Total
Application does not comply with formal requirements (section 41 of the Act)	0	0%
Application is for excluded information of the agency (section 43 of the Act)	0	0%
Application contravenes restraint order (section 110 of the Act)	0	0%
Total number of invalid applications received	0	0%
Invalid applications that subsequently became valid applications	0	0%

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of Act

	Number of times consideration used*	% of Total
Overriding secrecy laws	0	0%
Cabinet information	0	0%
Executive Council information	0	0%
Contempt	0	0%
Legal professional privilege	0	0%
Excluded information	0	0%
Documents affecting law enforcement and public safety	0	0%
Transport safety	0	0%
Adoption	0	0%
Care and protection of children	0	0%
Ministerial code of conduct	0	0%
Aboriginal and environmental heritage	0	0%
Privilege generally - Sch 1(5A)	0	0%
Information provided to High Risk Offenders Assessment Committee	0	0%
Total	0	

\*More than one public interest consideration may apply in relation to a particular access application and if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of Act

	Number of times consideration used*	% of Total
Responsible and effective government	2	33%
Law enforcement and security	2	33%
Individual rights, judicial processes and natural justice	2	33%
Business interests of agencies and other persons	0	0%
Environment, culture, economy and general matters	0	0%
Secrecy provisions	0	0%
Exempt documents under interstate Freedom of Information legislation	0	0%
Total	6	

Table F: Timeliness

	Number of applications*	% of Total
Decided within the statutory timeframe (20 days plus any extensions)	3	100%
Decided after 35 days (by agreement with applicant)	0	0%
Not decided within time (deemed refusal)	0	0%
Total	3	

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Total	% of Total
Internal review	0	0	0	0%
Review by Information Commissioner*	0	0	0	0%
Internal review following recommendation under section 93 of Act	0	0	0	0%
Review by NCAT	0	0	0	0%
Total	0	0	0	
% of Total	0%	0%		

\*The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review	% of Total
Applications by access applicants	0	0%
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0	0%
Total	0	

Table I: Applications transferred to other agencies.

	Number of applications transferred	% of Total
Agency-Initiated Transfers	0	0%
Applicant - Initiated Transfers	0	0%
Total	0	



# Gunnedah Shire Council

ANNUAL FINANCIAL STATEMENTS  
for the year ended 30 June 2020

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“To be a focused community valuing  
Gunnedah’s identity and quality lifestyle”.





# Gunnedah Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2020

---

“To be a focused community valuing  
Gunnedah’s identity and quality lifestyle”.



## General Purpose Financial Statements

for the year ended 30 June 2020

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### Overview

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

63 Elgin Street  
GUNNEDAH. NSW 2380

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.gunnedah.nsw.gov.au](http://www.gunnedah.nsw.gov.au)

# Gunnedah Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2020

### Understanding Council's Financial Statements

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#### Introduction

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

#### What you will find in the Statements

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

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

#### About the Councillor/Management Statement

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

#### About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

##### 1. The Income Statement

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

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

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

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

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

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

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

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

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

#### About the Notes to the Financial Statements

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

#### About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

#### Who uses the Financial Statements?

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

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

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

# Gunnedah Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2020

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### 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:

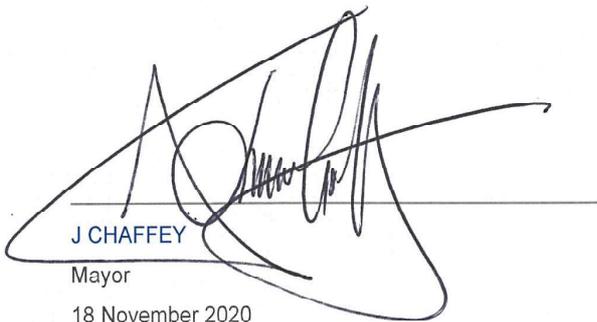
- the *Local Government Act 1993* (NSW) (as amended) and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- the *Local Government Code of Accounting Practice and Financial Reporting*.

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 August 2020.



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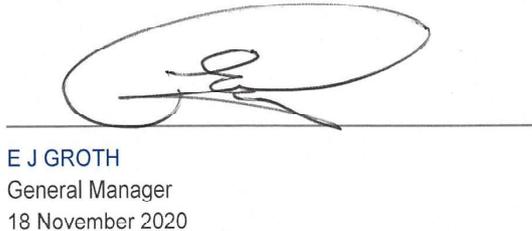
J CHAFFEY  
Mayor  
18 November 2020

Cr Rob Hooke

Digitally signed by Cr Rob Hooke  
DN: cn=Cr Rob Hooke,  
o=Gunnedah Shire Council, ou,  
email=robhooke@infogunnedah.  
com.au, c=AU  
Date: 2020.11.18 16:39:04 +1100

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R HOOKE  
Councillor  
18 November 2020



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E J GROTH  
General Manager  
18 November 2020



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D J CONNOR  
CFO - Responsible Accounting Officer  
18 November 2020

## Income Statement

for the year ended 30 June 2020

Original unaudited budget 2020	\$ '000	Notes	Actual 2020	Actual 2019
<b>Income from continuing operations</b>				
18,432	Rates and annual charges	3a	18,770	18,178
14,563	User charges and fees	3b	15,697	12,369
548	Other revenues	3c	868	3,182
11,145	Grants and contributions provided for operating purposes	3d,3e	12,668	11,549
25,128	Grants and contributions provided for capital purposes	3d,3e	11,506	5,197
1,407	Interest and investment income	4	1,363	1,713
–	Rental income	12e	118	–
71,223	<b>Total income from continuing operations</b>		60,990	52,188
<b>Expenses from continuing operations</b>				
15,827	Employee benefits and on-costs	5a	16,436	14,711
1,119	Borrowing costs	5b	719	813
13,838	Materials and contracts	5c	12,876	8,813
10,039	Depreciation and amortisation	5d	10,434	10,039
2,669	Other expenses	5e	3,778	3,728
–	Net losses from the disposal of assets	6	3,310	1,114
–	Revaluation decrement / impairment of IPP&E	5d	5	30
43,492	<b>Total expenses from continuing operations</b>		47,558	39,248
27,731	<b>Operating result from continuing operations</b>		13,432	12,940
27,731	<b>Net operating result for the year</b>		13,432	12,940
27,731	Net operating result attributable to council		13,432	12,940
2,603	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		1,926	7,743

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

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

## Statement of Comprehensive Income

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
<b>Net operating result for the year (as per Income Statement)</b>		<b>13,432</b>	<b>12,940</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	10(a)	4,832	1,610
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>4,832</b>	<b>1,610</b>
<b>Total other comprehensive income for the year</b>		<b>4,832</b>	<b>1,610</b>
<b>Total comprehensive income for the year</b>		<b>18,264</b>	<b>14,550</b>
Total comprehensive income attributable to Council		18,264	14,550

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

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

## Statement of Financial Position

as at 30 June 2020

\$ '000	Notes	2020	2019
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7(a)	5,422	5,464
Investments	7(b)	31,265	31,636
Receivables	8	8,874	3,918
Inventories	9a	563	543
Contract assets	11a	1,821	–
Other	9b	150	194
<b>Total current assets</b>		<u>48,095</u>	<u>41,755</u>
<b>Non-current assets</b>			
Investments	7(b)	25,000	20,000
Receivables	8	20	26
Infrastructure, property, plant and equipment	10(a)	447,038	437,131
Right of use assets	12a	738	–
<b>Total non-current assets</b>		<u>472,796</u>	<u>457,157</u>
<b>Total assets</b>		<u>520,891</u>	<u>498,912</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	13	5,701	3,755
Income received in advance	13	–	87
Contract liabilities	11b	3,191	–
Lease liabilities	12b	678	–
Borrowings	13	570	542
Provisions	14	5,461	4,982
<b>Total current liabilities</b>		<u>15,601</u>	<u>9,366</u>
<b>Non-current liabilities</b>			
Borrowings	13	11,461	12,032
Provisions	14	4,970	4,844
<b>Total non-current liabilities</b>		<u>16,431</u>	<u>16,876</u>
<b>Total liabilities</b>		<u>32,032</u>	<u>26,242</u>
<b>Net assets</b>		<u>488,859</u>	<u>472,670</u>
<b>EQUITY</b>			
Accumulated surplus	15	239,615	228,258
Revaluation reserves	15	249,244	244,412
<b>Council equity interest</b>		<u>488,859</u>	<u>472,670</u>
<b>Total equity</b>		<u>488,859</u>	<u>472,670</u>

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

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

## Statement of Changes in Equity

for the year ended 30 June 2020

\$ '000	Notes	as at 30/06/20			as at 30/06/19		
		Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus	IPP&E revaluation reserve	Total equity
<b>Opening balance</b>		228,258	244,412	472,670	215,052	243,068	458,120
Changes due to AASB 1058 and AASB 15 adoption	15	(2,075)	–	(2,075)	–	–	–
<b>Net operating result for the year</b>		13,432	–	13,432	12,940	–	12,940
<b>Restated net operating result for the period</b>		<b>13,432</b>	<b>–</b>	<b>13,432</b>	<b>12,940</b>	<b>–</b>	<b>12,940</b>
<b>Other comprehensive income</b>							
– Gain (loss) on revaluation of IPP&E	10(a)	–	4,832	4,832	–	1,610	1,610
Transfers between Equity		–	–	–	266	(266)	–
<b>Other comprehensive income</b>		<b>–</b>	<b>4,832</b>	<b>4,832</b>	<b>266</b>	<b>1,344</b>	<b>1,610</b>
<b>Total comprehensive income</b>		<b>13,432</b>	<b>4,832</b>	<b>18,264</b>	<b>13,206</b>	<b>1,344</b>	<b>14,550</b>
<b>Equity – balance at end of the reporting period</b>		<b>239,615</b>	<b>249,244</b>	<b>488,859</b>	<b>228,258</b>	<b>244,412</b>	<b>472,670</b>

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*

## Statement of Cash Flows

for the year ended 30 June 2020

Original unaudited budget 2020	\$ '000	Notes	Actual 2020	Actual 2019
<b>Cash flows from operating activities</b>				
<b>Receipts:</b>				
18,576	Rates and annual charges		18,702	18,080
14,712	User charges and fees		13,508	13,621
1,493	Investment and interest revenue received		1,408	1,723
39,910	Grants and contributions		21,314	17,351
379	Other		2,851	4,805
<b>Payments:</b>				
(12,177)	Employee benefits and on-costs		(15,667)	(15,133)
(18,051)	Materials and contracts		(14,189)	(11,189)
(672)	Borrowing costs		(719)	(656)
(4,547)	Other		(4,033)	(5,837)
<b>39,623</b>	<b>Net cash provided (or used in) operating activities</b>	16b	<b>23,175</b>	<b>22,765</b>
<b>Cash flows from investing activities</b>				
<b>Receipts:</b>				
6,735	Sale of investment securities		31,000	32,000
947	Sale of infrastructure, property, plant and equipment		1,350	990
3	Deferred debtors receipts		6	–
<b>Payments:</b>				
(1,575)	Purchase of investment securities		(35,629)	(24,576)
(51,622)	Purchase of infrastructure, property, plant and equipment		(19,269)	(29,485)
–	Deferred debtors and advances made		–	(2)
<b>(45,512)</b>	<b>Net cash provided (or used in) investing activities</b>		<b>(22,542)</b>	<b>(21,073)</b>
<b>Cash flows from financing activities</b>				
<b>Receipts:</b>				
2,000	Proceeds from borrowings and advances		–	–
<b>Payments:</b>				
(575)	Repayment of borrowings and advances		(543)	(516)
–	Lease liabilities (principal repayments)		(132)	–
<b>1,425</b>	<b>Net cash flow provided (used in) financing activities</b>		<b>(675)</b>	<b>(516)</b>
<b>(4,464)</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(42)</b>	<b>1,176</b>
5,464	Plus: cash and cash equivalents – beginning of year	16a	5,464	4,288
<b>1,000</b>	<b>Cash and cash equivalents – end of the year</b>	16a	<b>5,422</b>	<b>5,464</b>
46,477	plus: Investments on hand – end of year	7(b)	56,265	51,636
<b>47,477</b>	<b>Total cash, cash equivalents and investments</b>		<b>61,687</b>	<b>57,100</b>

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

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## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 1. Basis of preparation

---

These financial statements were authorised for issue by Council on 18 November 2020. Council has the power to amend and reissue these financial statements in cases where critical information is received from public submissions or where the OLG directs Council to amend the financial statements.

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

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

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

Council is a not for-profit entity.

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

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 21 – Material budget variations
- 

and are clearly marked.

#### (a) Historical cost convention

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

#### (b) Significant accounting estimates and judgements

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

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

#### Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

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

#### COVID19

Gunnedah Shire Council has undertaken an assessment of the impact of COVID19 in relation to the financial statements. Whilst there has been an impact we consider this to be minor and immaterial to councils overall result.

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

- (i) Impairment of receivables

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

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 1. Basis of preparation (continued)

---

#### 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 fund;
- Water supply fund;
- Sewerage service fund.

##### (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 that are held by Council but not considered to be under the control of Council and therefore excluded from these financial statements are recorded in a separate statement of monies register that is available for inspection from the Council's main office by any person upon request and free of charge.

#### Goods and Services Tax (GST)

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

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

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

#### Volunteer services

Council has minor reliance on volunteer services within the GoCo community services section. The volunteers are involved in community transportation services and this dependency is diminishing over time. Council considers these volunteer services as not-material.

#### New accounting standards and interpretations issued not yet effective

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

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

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

#### AASB 1059 Service Concession Arrangements: Grantors

This standard provides guidance for public sector entities (grantors) who have entered into service concession arrangements with private sector operators. Based on a review of Gunnedah Shire Councils operations there will be no impact of AASB 1059 as there are no Service Concession Arrangements entered into.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 1. Basis of preparation (continued)

---

#### **New accounting standards adopted during the year**

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

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

Further information on the newly adopted standards which had a material impact on Council's reported financial position, financial performance and/or associated financial statement disclosures can be found at Note 18.

## Notes to the Financial Statements

for the year ended 30 June 2020

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

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

\$ '000	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Carrying amount of assets	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<b>Functions or activities</b>										
Building Our Shire's Economy	1,029	1,117	790	1,697	239	(580)	136	–	10,460	9,490
Engaging and Supporting the Community	48,743	38,534	29,421	22,375	19,322	16,159	16,194	8,861	423,276	405,412
Protecting and Enjoying Our Beautiful Surrounds	5,424	7,318	7,506	6,974	(2,082)	344	1,199	994	33,654	29,875
Retaining Our Quality of Life	5,794	5,219	9,841	8,202	(4,047)	(2,983)	4,992	4,414	53,501	54,135
<b>Total functions and activities</b>	<b>60,990</b>	<b>52,188</b>	<b>47,558</b>	<b>39,248</b>	<b>13,432</b>	<b>12,940</b>	<b>22,521</b>	<b>14,269</b>	<b>520,891</b>	<b>498,912</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

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

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

#### **Engaging and Supporting the Community**

Community leadership is strengthened and volunteers are engaged;  
Council is a sustainable, ethical and efficient organisation;  
Increased local investment from other sources including the State and Commonwealth Governments as well as developers;  
An engaged community that is involved in the decision making process;  
Strategically managed infrastructure.

#### **Building Our Shire's Economy**

A growing population and diversified economy;  
Access to our goods, services and markets;  
Increased tourism and promotion of the Gunnedah Shire;  
The Gunnedah Shire is an attractive place to invest;  
Skilled workforce and quality local educational opportunities.

#### **Retaining Our Quality of Life**

Quality lifestyles and support for our older residents;  
Improved housing affordability;  
Villages are vibrant and sustainable;  
Reduced crime and anti-social behaviour;  
Our younger people are attracted, retained and developed;  
A healthy and active community participating in a diverse range of recreational and cultural activities;  
Improved access to essential services.

#### **Protecting and Enjoying Our Beautiful Surrounds**

Balance between development and environmental protection;  
Native fauna is secured, biodiversity protected and native vegetation thrives;  
A secure and high quality water supply;  
Our heritage is valued and protected;  
Managed exposure and reduced contribution to climate change;  
Our waste is sustainably managed and reduced;  
Enhanced streetscapes and open spaces in Gunnedah and villages.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 3. Revenue from continuing operations

\$ '000	AASB	2020	2019
<b>(a) Rates and annual charges</b>			
<b>Ordinary rates</b>			
Residential	1058 (1)	4,360	4,252
Farmland	1058 (1)	5,203	5,055
Mining	1058 (1)	1,258	1,225
Business	1058 (1)	2,390	2,294
Less: pensioner rebates (mandatory)	1058 (1)	(151)	(157)
<b>Rates levied to ratepayers</b>		<b>13,060</b>	<b>12,669</b>
Pensioner rate subsidies received	1058 (1)	83	87
<b>Total ordinary rates</b>		<b>13,143</b>	<b>12,756</b>
<b>Annual charges</b>			
<small>(pursuant to s.496, s.496A, s.496B, s.501 &amp; s.611)</small>			
Domestic waste management services	1058 (1)	2,354	2,276
Stormwater management services	1058 (1)	94	94
Water supply services	1058 (1)	945	909
Sewerage services	1058 (1)	2,130	2,035
<b>Annual charges levied</b>		<b>5,523</b>	<b>5,314</b>
Pensioner subsidies received:			
– Water	1058 (1)	37	39
– Sewerage	1058 (1)	34	35
– Domestic waste management	1058 (1)	33	34
<b>Total annual charges</b>		<b>5,627</b>	<b>5,422</b>
<b>TOTAL RATES AND ANNUAL CHARGES</b>		<b>18,770</b>	<b>18,178</b>

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

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

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

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

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

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

#### Accounting policy for rates and charges

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts which is the beginning of the rating period to which they relate.

Prepaid rates are recognised as a financial liability until the beginning of the rating period.

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

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates and are in substance a rates payment.

#### 2019 accounting policy

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

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 3. Revenue from continuing operations (continued)

\$ '000	AASB	2020	2019
<b>(b) User charges and fees</b>			
<b>Specific user charges</b>			
(per s.502 - specific 'actual use' charges)			
Domestic waste management services	15 (1)	860	789
Water supply services	15 (1)	3,463	3,634
Sewerage services	15 (1)	824	831
Waste management services (non-domestic)	15 (1)	52	58
<b>Total specific user charges</b>		<b>5,199</b>	<b>5,312</b>
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>			
Planning and building regulation	15 (1)	164	183
Private works – section 67	15 (1)	250	62
Regulatory/ statutory fees	15 (1)	43	32
Registration fees	15 (1)	19	31
Section 10.7 certificates (EP&A Act)	15 (1)	30	28
Section 603 certificates	15 (1)	39	35
<b>Total fees and charges – statutory/regulatory</b>		<b>545</b>	<b>371</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s.608))</b>			
Aerodrome	15 (1)	46	47
Aged care	15 (1)	185	171
Caravan park	15 (1)	5	5
Cemeteries	15 (1)	148	122
Library and art gallery	15 (1)	7	10
Park rents	15 (1)	72	79
RMS (formerly RTA) charges (state roads not controlled by Council)	15 (2)	8,461	4,744
Saleyards	15 (1)	662	984
Swimming centres	15 (1)	159	222
Tourism	15 (1)	11	14
Events	15 (1)	46	59
Noxious weeds	15 (1)	–	13
Theatre	15 (1)	140	203
Other	15 (1)	11	13
<b>Total fees and charges – other</b>		<b>9,953</b>	<b>6,686</b>
<b>TOTAL USER CHARGES AND FEES</b>		<b>15,697</b>	<b>12,369</b>

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

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

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

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

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

**Accounting policy for user charges and fees**

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 3. Revenue from continuing operations (continued)

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

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

**2019 accounting policy**

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

\$ '000	Notes	AASB	2020	2019
<b>(c) Other revenues</b>				
Rental income – other council properties (2019 only)		15 (1)	–	126
Fines		1058 (1)	15	16
Fines – parking		1058 (1)	8	6
Legal fees recovery – rates and charges (extra charges)		15 (1)	35	74
Commissions and agency fees		1058 (1)	1	10
Diesel rebate		15 (1)	194	187
Insurance claims recoveries		15 (1)	31	47
Government paid parental leave		15 (1)	38	26
Reimbursements		15 (1)	235	62
Sales – domestic waste		15 (1)	83	178
Sales – swimming pools		15 (1)	13	25
Sales – theatre		15 (1)	63	81
Landfill provision adjustment	11 (c)		–	2,288
Bad Debts - Recovered		15 (1)	88	–
Other		15 (1)	64	56
<b><u>TOTAL OTHER REVENUE</u></b>			<b><u>868</u></b>	<b><u>3,182</u></b>

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

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

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 3. Revenue from continuing operations (continued)

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#### **Accounting policy for other revenue**

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

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

#### **2019 accounting policy:**

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

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

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 3. Revenue from continuing operations (continued)

\$ '000	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
<b>(d) Grants</b>					
<b>General purpose (untied)</b>					
<b>Current year allocation</b>					
Financial assistance – general component	1058 (1)	1,489	1,493	–	–
Financial assistance – local roads component	1058 (1)	813	795	–	–
<b>Payment in advance - future year allocation</b>					
Financial assistance – general component	1058 (1)	1,576	1,547	–	–
Financial assistance – local roads component	1058 (1)	863	826	–	–
<b>Total general purpose</b>		<b>4,741</b>	<b>4,661</b>	<b>–</b>	<b>–</b>
<b>Specific purpose</b>					
Sewerage services		–	–	–	237
Water	1058 (2)	–	–	955	1,919
Community care	15 (2)	4,441	3,969	–	–
Economic development	1058 (1)	–	–	79	–
Heritage and cultural	1058 (2)	–	–	149	–
Library	1058 (1)	93	47	–	–
Environmental programs		–	–	–	4
Noxious weeds	1058 (1)	98	97	–	–
Recreation and culture	1058 (2)	75	193	1,209	1,028
Transport (roads to recovery)	1058 (1)	1,511	967	–	–
Street lighting	1058 (1)	21	21	–	–
Drought Relief	1058 (1)	750	–	–	–
Other	1058 (1)	57	–	–	–
Public Health	1058 (1)	4	5	–	–
Transport (other roads and bridges funding)	1058 (2)	609	900	7,729	221
<b>Total specific purpose</b>		<b>7,659</b>	<b>6,199</b>	<b>10,121</b>	<b>3,409</b>
<b>Total grants</b>		<b>12,400</b>	<b>10,860</b>	<b>10,121</b>	<b>3,409</b>
<b>Grant revenue is attributable to:</b>					
– Commonwealth funding		10,824	9,181	3,044	2,020
– State funding		1,547	1,587	7,077	1,289
– Other funding		29	92	–	100
		<b>12,400</b>	<b>10,860</b>	<b>10,121</b>	<b>3,409</b>

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

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

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

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 3. Revenue from continuing operations (continued)

\$ '000	Notes	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
<b>(e) Contributions</b>						
<b>Developer contributions: (s7.4 &amp; s7.11 - EP&amp;A Act, s64 of the LGA):</b>						
<b>Cash contributions</b>						
S 7.4 – contributions using planning agreements		1058 (1)	–	–	107	69
S 7.11 – contributions towards amenities/services		1058 (1)	–	–	169	174
S 64 – water supply contributions		1058 (1)	–	–	101	329
S 64 – sewerage service contributions		1058 (1)	–	–	57	200
S 64 – stormwater contributions		1058 (1)	–	–	34	49
<b>Total developer contributions – cash</b>			<b>–</b>	<b>–</b>	<b>468</b>	<b>821</b>
<b>Total developer contributions</b>	25		<b>–</b>	<b>–</b>	<b>468</b>	<b>821</b>
<b>Other contributions:</b>						
<b>Cash contributions</b>						
Roads and bridges		1058 (1)	34	400	300	681
Water supplies (excl. section 64 contributions)		1058 (1)	36	25	–	–
Emergency services		1058 (1)	96	101	–	–
ELE contributions – other councils		1058 (1)	13	58	–	–
Weeds			–	3	–	–
Arts & Culture			–	5	–	–
Saleyards		1058 (1)	89	91	–	–
Economic Development			–	5	–	–
Environment			–	1	–	–
<b>Total other contributions – cash</b>			<b>268</b>	<b>689</b>	<b>300</b>	<b>681</b>
<b>Non-cash contributions</b>						
Drainage		1058 (1)	–	–	–	78
Sewerage (excl. section 64 contributions)		1058 (1)	–	–	–	68
Water supplies (excl. section 64 contributions)		1058 (1)	–	–	–	140
Culverts		1058 (1)	–	–	617	–
<b>Total other contributions – non-cash</b>			<b>–</b>	<b>–</b>	<b>617</b>	<b>286</b>
<b>Total other contributions</b>			<b>268</b>	<b>689</b>	<b>917</b>	<b>967</b>
<b>Total contributions</b>			<b>268</b>	<b>689</b>	<b>1,385</b>	<b>1,788</b>
<b>TOTAL GRANTS AND CONTRIBUTIONS</b>			<b>12,668</b>	<b>11,549</b>	<b>11,506</b>	<b>5,197</b>

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

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

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

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 3. Revenue from continuing operations (continued)

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#### Accounting policy for grants and contributions

##### Accounting policy from 1 July 2019

##### Grant income under AASB 15

Where grant income arises from an agreement which is enforceable and contains sufficiently specific performance obligations then the revenue are recognised when control of each performance obligations is satisfied.

The performance obligations are varied based on the agreement but include [provide details of performance obligations within AASB 15 grants e.g. events, vaccinations]. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

Each performance obligation is considered to ensure that the revenue recognition reflects the transfer of control and within grant agreements there may be some performance obligations where control transfers at a point in time and others which have continuous transfer of control over the life of the contract.

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

##### Grant income

Assets arising from grants in the scope of AASB 1058 is recognised at the assets fair value when the asset is received. Councils considers whether there are any related liability or equity items associated with the asset which are recognised in accordance with the relevant accounting standard.

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

##### Capital grants

Capital grants received to enable Council to acquire or construct an item of infrastructure, property, plant and equipment to identified specifications which will be under Council's control and which is enforceable are recognised as revenue as and when the obligation to construct or purchase is completed.

For construction projects, this is generally as the construction progresses in accordance with costs incurred since this is deemed to be the most appropriate measure of the completeness of the construction project as there is no profit margin.

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

##### Contributions

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

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

##### Accounting policy prior to 1 July 2019

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

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

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 2020

## Note 3. Revenue from continuing operations (continued)

\$ '000	2020	2019
<b>(f) Unspent grants and contributions – external restrictions</b>		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner due to externally imposed restrictions.		
<b>Operating grants</b>		
Unexpended at the close of the previous reporting period	4,968	4,568
<b>Add:</b> operating grants recognised as income in the current period but not yet spent (2019 only)	–	3,936
<b>Less:</b> operating grants recognised in a previous reporting period now spent (2019 only)	–	(3,536)
<b>Less:</b> operating grants received in a previous reporting period now spent and recognised as income	(3,472)	–
<b>Unexpended and held as externally restricted assets (operating grants)</b>	<b>1,496</b>	<b>4,968</b>
<b>Capital grants</b>		
Unexpended at the close of the previous reporting period	858	281
<b>Add:</b> capital grants recognised as income in the current period but not yet spent (2019 only)	–	642
<b>Less:</b> capital grants recognised in a previous reporting period now spent (2019 only)	–	(65)
<b>Less:</b> capital grants received in a previous reporting period now spent and recognised as income	(858)	–
<b>Unexpended and held as externally restricted assets (capital grants)</b>	<b>–</b>	<b>858</b>
<b>Contributions</b>		
Unexpended at the close of the previous reporting period	8,482	7,880
<b>Add:</b> contributions recognised as income in the current period but not yet spent	182	192
<b>Add:</b> contributions received for the provision of goods and services in a future period	361	758
<b>Less:</b> contributions recognised in a previous reporting period now spent	(186)	(348)
<b>Unexpended and held as externally restricted assets (contributions)</b>	<b>8,839</b>	<b>8,482</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 4. Interest and investment income

\$ '000	2020	2019
<b>Interest on financial assets measured at amortised cost</b>		
– Overdue rates and annual charges (incl. special purpose rates)	25	23
– Cash and investments	622	1,613
– Managed Funds - Distributions	716	77
<b>Total Interest and investment income</b>	<b>1,363</b>	<b>1,713</b>
<b>Interest revenue is attributable to:</b>		
<b>Unrestricted investments/financial assets:</b>		
Overdue rates and annual charges (general fund)	25	23
General Council cash and investments	622	793
<b>Restricted investments/funds – external:</b>		
Development contributions		
– Section 7.11	62	68
– Section 64	133	162
Water fund operations	168	314
Sewerage fund operations	162	172
Domestic waste management operations	191	181
<b>Total interest and investment revenue</b>	<b>1,363</b>	<b>1,713</b>

**Accounting policy for interest and investment revenue**

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 5. Expenses from continuing operations

\$ '000	2020	2019
<b>(a) Employee benefits and on-costs</b>		
Salaries and wages	13,558	11,936
Employee leave entitlements (ELE)	2,295	2,005
Superannuation	1,632	1,483
Workers' compensation insurance	406	513
Fringe benefit tax (FBT)	40	32
Payroll tax	43	54
Protective clothing	63	53
Other	51	59
<b>Total employee costs</b>	<b>18,088</b>	<b>16,135</b>
Less: capitalised costs	(1,652)	(1,424)
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>	<b>16,436</b>	<b>14,711</b>
Number of 'full-time equivalent' employees (FTE) at year end	196	181
Number of 'full-time equivalent' employees (FTE) at year end (incl. vacancies)	202	195

**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 19 for more information.

\$ '000	Notes	2020	2019
<b>(b) Borrowing costs</b>			
<b>(i) Interest bearing liability costs</b>			
Interest on leases		10	–
Interest on loans		631	655
<b>Total interest bearing liability costs</b>		<b>641</b>	<b>655</b>
<b>Total interest bearing liability costs expensed</b>		<b>641</b>	<b>655</b>
<b>(ii) Other borrowing costs</b>			
Fair value adjustments on recognition of advances and deferred debtors			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	14	78	158
<b>Total other borrowing costs</b>		<b>78</b>	<b>158</b>
<b>TOTAL BORROWING COSTS EXPENSED</b>		<b>719</b>	<b>813</b>

**Accounting policy for borrowing costs**

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

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 5. Expenses from continuing operations (continued)

\$ '000	2020	2019
<b>(c) Materials and contracts</b>		
Raw materials and consumables	29,565	35,540
Contractor and consultancy costs		
– Domestic waste management	87	64
– Tourism/economic development	140	25
– Human resources	1	20
– Planning	73	20
– Governance	29	1
- Public Halls	106	–
- Water	158	–
- Sewer	63	–
– Contractor and consultancy costs	255	460
Auditors remuneration <sup>2</sup>	92	50
<b>Legal expenses:</b>		
– Legal expenses: planning and development	44	6
– Legal expenses: debt recovery	42	81
– Legal expenses: other	31	49
Expenses from leases of low value assets (2020 only)	7	–
Expenses from short-term leases (2020 only)	3	–
Variable lease expense relating to usage (2020 only)	4	–
<b>Operating leases expense (2019 only):</b>		
– Operating lease rentals: minimum lease payments <sup>1</sup>	–	33
<b>Total materials and contracts</b>	<u>30,700</u>	<u>36,349</u>
Less: capitalised costs	(17,824)	(27,536)
<b>TOTAL MATERIALS AND CONTRACTS</b>	<u>12,876</u>	<u>8,813</u>
<b>Accounting policy for materials and contracts</b>		
Expenses are recorded on an accruals basis as the council receives the goods or services.		
<b>1. Operating lease payments are attributable to:</b>		
Office - Leases	55	33
	<u>55</u>	<u>33</u>
<b>2. Auditor remuneration</b>		
During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms		
<b>Auditors of the Council - NSW Auditor-General:</b>		
<b>(i) Audit and other assurance services</b>		
Audit and review of financial statements	50	46
<b>Remuneration for audit and other assurance services</b>	<u>50</u>	<u>46</u>
<b>Total Auditor-General remuneration</b>	<u>50</u>	<u>46</u>
<b>Non NSW Auditor-General audit firms</b>		
<b>(i) Audit and other assurance services</b>		
Audit and review of financial statements	2	–
Internal Audit	40	4
<b>Total remuneration of non NSW Auditor-General audit firms</b>	<u>42</u>	<u>4</u>
<b>Total Auditor remuneration</b>	<u>92</u>	<u>50</u>

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 5. Expenses from continuing operations (continued)

\$ '000	Notes	2020	2019
<b>(d) Depreciation, amortisation and impairment of non-financial assets</b>			
<b>Depreciation and amortisation</b>			
Plant and equipment		1,581	1,592
Office equipment		287	294
Furniture and fittings		86	82
<b>Infrastructure:</b>	10(a)		
– Buildings – non-specialised		294	294
– Buildings – specialised		500	436
– Other structures		131	127
– Roads		3,257	3,192
– Bridges		376	383
– Footpaths		96	94
– Other road assets		51	51
– Stormwater drainage		697	694
– Water supply network		895	933
– Sewerage network		845	910
– Swimming pools		181	117
– Other open space/recreational assets		209	181
– Other infrastructure		132	131
<b>Right of use assets</b>	12	72	–
<b>Other assets:</b>			
– Library books		30	29
– Other		263	160
<b>Reinstatement, rehabilitation and restoration assets:</b>			
– Tip assets	14,10(a)	421	309
– Quarry assets	14,10(a)	30	30
<b>Total depreciation and amortisation costs</b>		<b>10,434</b>	<b>10,039</b>
<b>Impairment / revaluation decrement of IPP&amp;E</b>			
Furniture and fittings		–	5
Office equipment		–	1
Plant and equipment		5	24
<b>Total IPP&amp;E impairment / revaluation decrement costs / (reversals) charged to Income Statement</b>		<b>5</b>	<b>30</b>
<b><u>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT FOR NON-FINANCIAL ASSETS</u></b>		<b><u>10,439</u></b>	<b><u>10,069</u></b>

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

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note 10 for IPPE assets and Note 12 for right of use assets.

**Impairment of non-financial assets**

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

Other assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 5. Expenses from continuing operations (continued)

asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

\$ '000	2020	2019
<b>(e) Other expenses</b>		
Advertising	120	143
Training costs (other than salaries and wages)	372	369
Travel expenses	141	119
Bad and doubtful debts	33	34
Bank charges	51	50
Computer software charges	284	319
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	22	17
– NSW rural fire service levy	229	187
Councillor expenses – mayoral fee	27	25
Councillor expenses – councillors' fees	114	104
Councillors' expenses (incl. mayor) – other (excluding fees above)	49	77
Donations, contributions and assistance to other organisations (Section 356)	67	49
– Donations, contributions and assistance	50	60
Electricity and heating	821	891
Gas	7	8
Insurance	569	526
Postage	52	48
Printing and stationery	115	94
Street lighting	209	237
Subscriptions and publications	231	191
Telephone and communications	223	194
Valuation fees	49	51
Other	41	43
<b>Total other expenses</b>	<b>3,876</b>	<b>3,836</b>
Less: capitalised costs	(98)	(108)
<b>TOTAL OTHER EXPENSES</b>	<b>3,778</b>	<b>3,728</b>

**Accounting policy for other expenses**

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

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 6. Gain or loss from disposal of assets

\$ '000	Notes	2020	2019
<b>Property (excl. investment property)</b>			
Proceeds from disposal - property		–	370
Less: carrying amount of property assets sold/written off		(147)	(363)
<b>Net gain/(loss) on disposal</b>		<b>(147)</b>	<b>7</b>
<b>Plant and equipment</b>			
	10(a)		
Proceeds from disposal – plant and equipment		564	608
Less: carrying amount of plant and equipment assets sold/written off		(506)	(608)
<b>Net gain/(loss) on disposal</b>		<b>58</b>	<b>–</b>
<b>Infrastructure</b>			
	10(a)		
Less: carrying amount of infrastructure assets sold/written off		(4,007)	(1,121)
<b>Net gain/(loss) on disposal</b>		<b>(4,007)</b>	<b>(1,121)</b>
<b>Investments</b>			
	7(b)		
Proceeds from disposal/redemptions/maturities – investments		31,000	32,000
Less: carrying amount of investments sold/redeemed/matured		(31,000)	(32,000)
<b>Net gain/(loss) on disposal</b>		<b>–</b>	<b>–</b>
<b>Other</b>			
Proceeds from disposal – Other (Southern Phones)		786	–
<b>Net gain/(loss) on disposal</b>		<b>786</b>	<b>–</b>
<b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>		<b>(3,310)</b>	<b>(1,114)</b>

**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, is disposed of and/or the asset is de-recognised.

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 7(a). Cash and cash equivalents

\$ '000	2020	2019
<b>Cash and cash equivalents</b>		
Cash on hand and at bank	858	784
Cash-equivalent assets		
– Deposits at call	4,564	4,680
<b>Total cash and cash equivalents</b>	<u>5,422</u>	<u>5,464</u>

**Accounting policy for cash and cash equivalents**

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

## Note 7(b). Investments

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
<b>Investments</b>				
'Financial assets at amortised cost'	31,265	25,000	31,636	20,000
<b>Total Investments</b>	<u>31,265</u>	<u>25,000</u>	<u>31,636</u>	<u>20,000</u>
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS</b>	<u>36,687</u>	<u>25,000</u>	<u>37,100</u>	<u>20,000</u>
<b>Financial assets at amortised cost</b>				
Term deposits	31,181	25,000	27,779	20,000
Managed funds	84	–	3,857	–
<b>Total</b>	<u>31,265</u>	<u>25,000</u>	<u>31,636</u>	<u>20,000</u>

**Accounting policy for investments**

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

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

**Financial assets**

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

**Classification**

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

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

**Amortised cost**

Assets measured at amortised cost are financial assets where:

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

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 7(b). Investments (continued)

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Council's financial assets measured at amortised cost comprise trade and other receivables, term deposits and cash and cash equivalents in the Statement of Financial Position.

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

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

#### **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 in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to accumulated surplus and is not reclassified to profit or loss.

Other net gains and losses excluding dividends are recognised in Other Comprehensive Income Statement.

#### **Financial assets through profit or loss**

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

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

Council currently has no financial assets measured at fair value through profit and loss.

## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	2020		2019	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	36,687	25,000	37,100	20,000
<b>attributable to:</b>				
External restrictions	18,631	23,000	23,013	14,587
Internal restrictions	16,884	2,000	10,630	3,515
Unrestricted	1,172	–	3,457	1,898
	<u>36,687</u>	<u>25,000</u>	<u>37,100</u>	<u>20,000</u>

\$ '000	2020	2019
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#### Details of restrictions

##### External restrictions – included in liabilities

Specific purpose unexpended grants – general fund (2020 only)	3,191	–
<b>External restrictions – included in liabilities</b>	<u>3,191</u>	<u>–</u>

##### External restrictions – other

Developer contributions – general	2,266	2,200
Developer contributions – water fund	4,486	4,293
Developer contributions – sewer fund	2,087	1,989
Specific purpose unexpended grants (recognised as revenue) – general fund	1,496	5,826
Water supplies	8,578	6,240
Sewerage services	8,824	7,459
Other	144	184
Domestic waste management	10,559	9,409
<b>External restrictions – other</b>	<u>38,440</u>	<u>37,600</u>
<b>Total external restrictions</b>	<u>41,631</u>	<u>37,600</u>

## Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	2020	2019
<b>Internal restrictions</b>		
Plant and vehicle replacement	1,849	1,566
Employees leave entitlement	1,637	1,490
Business partnering program	79	92
Contract works	189	189
Cycleways	38	38
Depot refuelling upgrade	142	142
Future works	2,193	5,451
Gravel pit restoration	458	446
Land	45	45
Parking areas	483	483
Roads	318	318
Saleyards	1,385	1,462
Storm water – contingency	–	317
Strategic planning	385	385
Tourism	134	134
Showground	–	274
Reserve Management Trust	139	155
Arts & Culture	20	170
Disaster Recovery Fund	238	238
Water Sustainability	150	150
Building Works	1,060	255
Building Renovations/Additions	500	–
Drought Resilience Program	951	–
Financial Assistance Grant - Advance Payment	2,439	–
GoCo - Unexpended Funds (Excluding Grants)	3,625	–
Other	427	345
<b>Total internal restrictions</b>	<b>18,884</b>	<b>14,145</b>
<b>TOTAL RESTRICTIONS</b>	<b>60,515</b>	<b>51,745</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 8. Receivables

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
<b>Purpose</b>				
Rates and annual charges	919	–	745	–
Interest and extra charges	144	–	174	–
User charges and fees	3,895	–	1,313	–
Private works	501	–	832	–
Contributions to works	218	–	68	–
Accrued revenues				
– Interest on investments	656	–	723	–
– Other income accruals	16	–	15	–
Deferred debtors	4	20	4	26
Government grants and subsidies	2,418	–	3	–
Net GST receivable	181	–	179	–
<b>Total</b>	<b>8,952</b>	<b>20</b>	<b>4,056</b>	<b>26</b>
<b>Less: provision of impairment</b>				
Rates and annual charges	(39)	–	(21)	–
Interest and extra charges	(33)	–	(85)	–
Other debtors	(6)	–	(32)	–
<b>Total provision for impairment – receivables</b>	<b>(78)</b>	<b>–</b>	<b>(138)</b>	<b>–</b>
<b>TOTAL NET RECEIVABLES</b>	<b>8,874</b>	<b>20</b>	<b>3,918</b>	<b>26</b>
<b>Externally restricted receivables</b>				
<b>Water supply</b>				
– Rates and availability charges	67	–	60	–
– Other	425	–	721	–
<b>Sewerage services</b>				
– Rates and availability charges	125	–	114	–
– Other	85	–	125	–
<b>Total external restrictions</b>	<b>702</b>	<b>–</b>	<b>1,020</b>	<b>–</b>
<b>Unrestricted receivables</b>	<b>8,172</b>	<b>20</b>	<b>2,898</b>	<b>26</b>
<b>TOTAL NET RECEIVABLES</b>	<b>8,874</b>	<b>20</b>	<b>3,918</b>	<b>26</b>

\$ '000	2020	2019
<b>Movement in provision for impairment of receivables</b>		
Balance at the beginning of the year (calculated in accordance with AASB 139)	138	104
+ new provisions recognised during the year	57	36
– amounts already provided for and written off this year	(29)	(2)
– amounts provided for but recovered during the year	(88)	–
<b>Balance at the end of the year</b>	<b>78</b>	<b>138</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 8. Receivables (continued)

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#### Accounting policy for receivables

##### Recognition and measurement

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

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

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

##### Impairment

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

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

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

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

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

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

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

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

Rates and annual charges outstanding are secured against the property.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 9. Inventories and other assets

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
<b>(a) Inventories</b>				
<b>(i) Inventories at cost</b>				
Stores and materials	563	–	543	–
<b>Total inventories at cost</b>	<b>563</b>	<b>–</b>	<b>543</b>	<b>–</b>
<b>TOTAL INVENTORIES</b>	<b>563</b>	<b>–</b>	<b>543</b>	<b>–</b>
<b>(b) Other assets</b>				
Prepayments	148	–	192	–
Other	2	–	2	–
<b>TOTAL OTHER ASSETS</b>	<b>150</b>	<b>–</b>	<b>194</b>	<b>–</b>

#### Externally restricted assets

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
<b>Water</b>				
Stores and materials	98	–	101	–
<b>Total water</b>	<b>98</b>	<b>–</b>	<b>101</b>	<b>–</b>
<b>Sewerage</b>				
Stores and materials	–	–	1	–
<b>Total sewerage</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>–</b>
<b>Total externally restricted assets</b>	<b>98</b>	<b>–</b>	<b>102</b>	<b>–</b>
<b>Total internally restricted assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total unrestricted assets</b>	<b>615</b>	<b>–</b>	<b>635</b>	<b>–</b>
<b>TOTAL INVENTORIES AND OTHER ASSETS</b>	<b>713</b>	<b>–</b>	<b>737</b>	<b>–</b>

#### Accounting policy for inventories and other assets

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 10(a). Infrastructure, property, plant and equipment

	as at 30/06/19			Asset movements during the reporting period							as at 30/06/20		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements	WIP transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
<b>\$ '000</b>													
Capital work in progress	11,936	–	11,936	7,520	1,874	–	–	–	(9,871)	–	11,459	–	11,459
Plant and equipment	20,039	(9,827)	10,212	1,873	80	(511)	(1,581)	(5)	5	–	20,696	(10,623)	10,073
Office equipment	2,436	(1,641)	795	5	102	–	(287)	–	128	–	2,617	(1,874)	743
Furniture and fittings	1,148	(743)	405	50	66	–	(86)	–	50	–	1,304	(819)	485
<b>Land:</b>													
– Crown land	4,059	–	4,059	–	–	(141)	–	–	–	–	3,918	–	3,918
– Operational land	8,511	–	8,511	–	156	(6)	–	–	6	–	8,667	–	8,667
– Community land	2,412	–	2,412	–	–	–	–	–	–	–	2,412	–	2,412
– Land under roads (post 30/6/08)	3,268	–	3,268	–	–	–	–	–	–	–	3,268	–	3,268
Land improvements – non-depreciable	2,238	–	2,238	–	–	–	–	–	–	–	2,238	–	2,238
<b>Infrastructure:</b>													
– Buildings – non-specialised	20,788	(8,639)	12,149	5	–	–	(294)	–	–	–	20,794	(8,934)	11,860
– Buildings – specialised	31,306	(10,452)	20,854	62	–	–	(500)	–	134	–	31,503	(10,953)	20,550
– Other structures	6,418	(2,525)	3,893	–	5	–	(131)	–	78	–	6,501	(2,656)	3,845
– Roads	218,981	(32,798)	186,183	4,022	880	(2,319)	(3,257)	–	1,965	–	222,808	(35,334)	187,474
– Bridges	37,331	(11,529)	25,802	–	617	–	(376)	–	–	1,277	42,341	(15,021)	27,320
– Footpaths	7,700	(1,683)	6,017	–	129	(20)	(96)	–	2	1,055	9,112	(2,025)	7,087
– Other road assets	3,452	(745)	2,707	–	–	–	(51)	–	14	838	4,451	(943)	3,508
– Stormwater drainage	63,213	(23,992)	39,221	169	–	(43)	(697)	–	46	–	63,362	(24,666)	38,696
– Water supply network	67,366	(26,924)	40,442	426	235	(1,611)	(895)	–	6,221	361	72,460	(27,281)	45,179
– Sewerage network	62,542	(27,545)	34,997	–	–	–	(845)	–	302	324	63,438	(28,660)	34,778
– Swimming pools	10,278	(934)	9,344	78	30	–	(181)	–	8	–	10,394	(1,115)	9,279
– Other open space/recreational assets	5,926	(2,877)	3,049	82	1,384	(13)	(209)	–	469	–	7,828	(3,066)	4,762
– Other infrastructure	6,066	(4,414)	1,652	29	–	–	(132)	–	57	977	8,320	(5,737)	2,583
<b>Other assets:</b>													
– Library books	259	(119)	140	37	–	–	(30)	–	2	–	297	(148)	149
– Other	3,083	(833)	2,250	–	190	–	(263)	–	384	–	3,658	(1,097)	2,561
<b>Reinstatement, rehabilitation and restoration assets (refer Note 11):</b>													
– Tip assets	4,190	–	4,190	–	–	–	(421)	–	–	–	4,190	(421)	3,769
– Quarry assets	435	(30)	405	–	–	–	(30)	–	–	–	436	(61)	375
<b>Total Infrastructure, property, plant and equipment</b>	<b>605,381</b>	<b>(168,250)</b>	<b>437,131</b>	<b>14,358</b>	<b>5,748</b>	<b>(4,664)</b>	<b>(10,362)</b>	<b>(5)</b>	<b>–</b>	<b>4,832</b>	<b>628,472</b>	<b>(181,434)</b>	<b>447,038</b>

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

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 10(a). Infrastructure, property, plant and equipment (continued)

	as at 30/06/18			Asset movements during the reporting period								as at 30/06/19		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals <sup>1</sup>	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in P/L)	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
<b>\$ '000</b>														
Capital work in progress	8,370	–	8,370	3,722	7,710	–	–	–	(7,866)	–	–	11,936	–	11,936
Plant and equipment	19,479	(9,783)	9,696	2,418	322	(608)	(1,592)	(24)	–	–	–	20,039	(9,827)	10,212
Office equipment	2,450	(1,679)	771	181	8	–	(294)	(1)	130	–	–	2,436	(1,641)	795
Furniture and fittings	1,057	(681)	376	64	21	–	(82)	(5)	31	–	–	1,148	(743)	405
<b>Land:</b>														
– Operational land	8,484	–	8,484	377	–	(363)	–	–	–	–	13	8,511	–	8,511
– Community land	2,412	–	2,412	–	–	–	–	–	–	–	–	2,412	–	2,412
– Crown land	4,059	–	4,059	–	–	–	–	–	–	–	–	4,059	–	4,059
– Land under roads (post 30/6/08)	3,268	–	3,268	–	–	–	–	–	–	–	–	3,268	–	3,268
Land improvements – non-depreciable	2,238	–	2,238	–	–	–	–	–	–	–	–	2,238	–	2,238
<b>Infrastructure:</b>														
– Buildings – non-specialised	20,746	(8,637)	12,109	42	–	–	(294)	–	–	–	292	20,788	(8,639)	12,149
– Buildings – specialised	26,943	(10,370)	16,573	4,362	–	–	(436)	–	–	–	355	31,306	(10,452)	20,854
– Other structures	6,177	(2,399)	3,778	211	30	–	(127)	–	1	–	–	6,418	(2,525)	3,893
– Roads	216,248	(29,618)	186,630	2,762	–	(31)	(3,192)	–	14	–	–	218,981	(32,798)	186,183
– Bridges	38,035	(11,758)	26,277	–	–	(92)	(383)	–	–	–	–	37,331	(11,529)	25,802
– Footpaths	7,539	(1,588)	5,951	160	–	–	(94)	–	–	–	–	7,700	(1,683)	6,017
– Other road assets	3,430	(694)	2,736	–	6	–	(51)	–	16	–	–	3,452	(745)	2,707
– Stormwater drainage	62,655	(23,389)	39,266	434	78	(57)	(694)	–	194	–	–	63,213	(23,992)	39,221
– Water supply network	64,977	(26,848)	38,129	610	1,510	(937)	(933)	–	1,481	–	582	67,366	(26,924)	40,442
– Sewerage network	61,300	(26,202)	35,098	–	167	–	(910)	–	93	–	549	62,542	(27,545)	34,997
– Swimming pools	1,387	(601)	786	3,778	–	–	(117)	–	5,100	–	(203)	10,278	(934)	9,344
– Other open space/recreational assets	5,113	(2,725)	2,388	67	222	(4)	(181)	–	557	–	–	5,926	(2,877)	3,049
– Other infrastructure	6,065	(4,282)	1,783	–	–	–	(131)	–	–	–	–	6,066	(4,414)	1,652
<b>Other assets:</b>														
– Library books	237	(90)	147	22	–	–	(29)	–	–	–	–	259	(119)	140
– Other	2,748	(655)	2,093	7	39	–	(160)	–	249	–	22	3,083	(833)	2,250
<b>Reinstatement, rehabilitation and restoration assets (refer Note 11):</b>														
– Tip assets	5,207	(1,288)	3,919	–	–	–	(309)	–	–	580	–	4,190	–	4,190
– Quarry assets	435	–	435	–	–	–	(30)	–	–	–	–	435	(30)	405
<b>Total Infrastructure, property, plant and equipment</b>	<b>581,059</b>	<b>(163,287)</b>	<b>417,772</b>	<b>19,217</b>	<b>10,113</b>	<b>(2,092)</b>	<b>(10,039)</b>	<b>(30)</b>	<b>–</b>	<b>580</b>	<b>1,610</b>	<b>605,381</b>	<b>(168,250)</b>	<b>437,131</b>

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

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 10(a). Infrastructure, property, plant and equipment (continued)

**Accounting policy for infrastructure, property, plant and equipment**

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

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

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

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

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

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

<b>Plant and equipment</b>	Years	<b>Other equipment</b>	Years
Office equipment	3 to 10	Playground equipment	5 to 15
Office furniture	5 to 10	Benches, seats etc.	10 to 20
Computer equipment	3		
Vehicles	5 to 8	<b>Buildings</b>	
Heavy plant/road making equipment	5 to 10	Buildings: masonry	50 to 100
Other plant and equipment	5 to 10	Buildings: other	20 to 80
<b>Water and sewer assets</b>		<b>Stormwater assets</b>	
Dams and reservoirs	80 to 100	Drains	100 to 120
Bores	20 to 40	Culverts	50 to 100
Reticulation pipes: PVC	70 to 80		
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 20		
<b>Transportation assets</b>		<b>Other infrastructure assets</b>	
Sealed roads: surface	21-28	Bulk earthworks	Indefinite
Sealed roads: structure	60-75	Swimming pools	50
Unsealed roads	20	Other open space/recreational assets	30 to 60
Bridge: concrete	100	Other infrastrucutre	20 to 100
Bridge: other	100		
Road formation: urban	150		
Road formation: rural	Indefinite		
Kerb, gutter and footpaths	80		

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

**Land under roads**

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 10(a). Infrastructure, property, plant and equipment (continued)

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Land under roads acquired after 1 July 2008 is recognised in accordance with AASB 116 Property, Plant and Equipment.

#### **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".

However in accordance with the Australian Accounting Standards and associated principles, only assets that are controlled by Council can be recognised in these Financial Statements. Following consideration of such, it has been determined that Council clearly does not meet the requirements of control for NSW Government Rural Fire Service assets and accordingly, Council will not recognise rural fire services assets including land, buildings, plant and vehicles.

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 10(b). Externally restricted infrastructure, property, plant and equipment

\$ '000	as at 30/06/20			as at 30/06/19		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
<b>Water supply</b>						
WIP	2,446	–	2,446	7,644	–	7,644
Plant and equipment	466	366	100	466	373	93
Office equipment	17	9	8	17	8	9
Land						
– Operational land	138	–	138	138	–	138
– Community land	10	–	10	10	–	10
Infrastructure	72,460	27,281	45,179	67,367	26,924	40,443
Other assets	36	22	14	36	15	21
<b>Total water supply</b>	<b>75,573</b>	<b>27,678</b>	<b>47,895</b>	<b>75,678</b>	<b>27,320</b>	<b>48,358</b>
<b>Sewerage services</b>						
WIP	672	–	672	506	–	506
Plant and equipment	130	93	37	119	85	34
Office equipment	1	1	–	1	1	–
Land						
– Operational land	176	–	176	99	–	99
– Community land	110	–	110	110	–	110
- Crown Land	390	–	390	531	–	531
Infrastructure	63,438	28,660	34,778	62,542	27,545	34,997
Other assets	158	32	126	–	–	–
<b>Total sewerage services</b>	<b>65,075</b>	<b>28,786</b>	<b>36,289</b>	<b>63,908</b>	<b>27,631</b>	<b>36,277</b>
<b>Domestic waste management</b>						
WIP	68	–	68	79	–	79
Plant and equipment	226	167	59	214	173	41
Furniture and fittings	25	18	7	25	16	9
Land						
– Operational land	715	–	715	715	–	715
– Community land	113	–	113	113	–	113
Buildings	1,115	202	913	1,115	186	929
Other structures	316	102	214	208	84	124
Other assets	1,158	217	941	1,153	174	979
<b>Total DWM</b>	<b>3,736</b>	<b>706</b>	<b>3,030</b>	<b>3,622</b>	<b>633</b>	<b>2,989</b>
<b>TOTAL RESTRICTED IPP&amp;E</b>	<b>144,384</b>	<b>57,170</b>	<b>87,214</b>	<b>143,208</b>	<b>55,584</b>	<b>87,624</b>

## Note 10(c). Infrastructure, property, plant and equipment – current year impairments

\$ '000	Notes	2020	2019
<b>(i) Impairment losses recognised in the Income Statement:</b>			
Plant - Mower & Vibratory Rammer		(5)	–
Library - Return Shute - Disabled - not working		–	(3)
Minor Venue Items - Under Capitalisation Thresholds		–	(4)
Asset Register - AAS27 - Out of date		–	(23)
<b>Total impairment losses</b>		<b>(5)</b>	<b>(30)</b>
<b>IMPAIRMENT OF ASSETS – GAINS/(LOSSES) in P/L</b>	5d	<b>(5)</b>	<b>(30)</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 11. Contract assets and liabilities

\$ '000	2020 Current	2020 Non-current
<b>(a) Contract assets</b>		
Cycleway - View Street	127	–
Roads - Grain Valley Way	1,669	–
Roads - Clifton	10	–
Rainbow Serpent - Fountain	15	–
<b>Total Contract assets</b>	<b>1,821</b>	<b>–</b>

**(i) Externally restricted assets****Externally restricted assets**

Other (Grant Funded)	1,821	–
<b>Total externally restricted assets</b>	<b>1,821</b>	<b>–</b>
<b>Total restricted assets</b>	<b>1,821</b>	<b>–</b>
<b>Total contract assets</b>	<b>1,821</b>	<b>–</b>

\$ '000	Notes	2020 Current	2020 Non-current
<b>(b) Contract liabilities</b>			
<b>Grants and contributions received in advance:</b>			
Unexpended capital grants (to construct Council controlled assets)	(i)	1,871	–
Unexpended operating contributions (received prior to performance obligation being satisfied)	(ii)	1,320	–
<b>Total grants received in advance</b>		<b>3,191</b>	<b>–</b>
<b>Total contract liabilities</b>		<b>3,191</b>	<b>–</b>

**Notes**

(i) Council has received funding to construct assets including roads, management plans, showground facilities, bridges and tourism/economic development development (koala park). The funds received are under an enforceable contract which require Council to construct an identified asset which will be under Council's control on completion. The revenue is recognised as Council constructs the asset and the contract liability reflects the funding received which cannot yet be recognised as revenue. The revenue is expected to be recognised in the next 12 months.

(ii) The contract liability relates to grants received prior to the revenue recognition criteria in AASB 15 being satisfied since the performance obligations are ongoing. Grants relate to funds received by GoCo in advance under the Carer NSW & HCP Individual Client Contributions.

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 11. Contract assets and liabilities (continued)

\$ '000	2020 Current	2020 Non-current
<b>(i) Contract liabilities relating to restricted assets</b>		
<b>Externally restricted assets</b>		
Unspent grants held as contract liabilities (excl. Water & Sewer)	3,191	—
<b>Contract liabilities relating to externally restricted assets</b>	<b>3,191</b>	<b>—</b>
<b>Total contract liabilities relating to restricted assets</b>	<b>3,191</b>	<b>—</b>
<b>Total contract liabilities</b>	<b>3,191</b>	<b>—</b>

**Significant changes in contract assets and liabilities**

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

**Accounting policy for contract assets and liabilities**

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before the payment is due, Council presents the work in progress as a contract asset, unless the rights to that amount of consideration are unconditional, in which case Council recognises a receivable.

When an amount of consideration is received from a customer / fund provider prior to Council transferring a good or service to the customer, Council presents the funds which exceed revenue recognised as a contract liability.

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 12. Leases

The Council has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

## (i) Council as a lessee

Council has leases over buildings. Information relating to the leases in place and associated balances and transactions is provided below.

## Terms and conditions of leases

## Buildings

Council leases buildings for their Community Care Department (GoCo) offices in Narrabri, Kootingal, Barraba & Tamworth. The leases are generally between 2 and 5 years and some of them include a renewal option to allow Council to renew for up to twice the noncancellable lease term at their discretion.

The building leases contain an annual pricing mechanism based on either fixed increases or CPI movements at each anniversary of the lease inception.

## Extension options

Council includes options in the building leases to provide flexibility and certainty to Council operations and reduce costs of moving premises; and the extension options are at Council's discretion.

At commencement date and each subsequent reporting date, Council assesses where it is reasonably certain that the extension options will be exercised.

\$ '000	Buildings	Total
<b>(a) Right of use assets</b>		
Opening balance at 30 June 2019	-	-
Adoption of AASB 16 at 1 July 2019 – first time lease recognition	86	86
Additions to right-of-use assets	761	761
Adjustments to right-of-use assets due to re-measurement of lease liability	(37)	(37)
Depreciation charge	(72)	(72)
<b><u>RIGHT OF USE ASSETS</u></b>	<b><u>738</u></b>	<b><u>738</u></b>

\$ '000	2020 Current	2020 Non-current
<b>(b) Lease liabilities</b>		
Lease liabilities - GoCo Offices	678	-
<b><u>TOTAL LEASE LIABILITIES</u></b>	<b><u>678</u></b>	<b><u>-</u></b>

## (i) The maturity analysis

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

\$ '000	< 1 year	1 – 5 years	> 5 years	Total	Total per Statement of Financial Position
Cash flows	57	178	517	752	678

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 12. Leases (continued)

\$ '000	2020 Current	2020 Non-current
<b>(ii) Lease liabilities relating to restricted assets</b>		
<b>Externally restricted assets</b>		
Other - GoCo - Grant Funded	678	–
<b>Lease liabilities relating to externally restricted assets</b>	<b>678</b>	<b>–</b>
<b>Total lease liabilities relating to restricted assets</b>	<b>678</b>	<b>–</b>
<b>Total lease liabilities</b>	<b>678</b>	<b>–</b>

\$ '000	2020
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## (c) Income Statement

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

Interest on lease liabilities	10
Variable lease payments based on usage not included in the measurement of lease liabilities	4
Depreciation of right of use assets	72
Expenses relating to short-term leases	3
Expenses relating to low-value leases	7
	<b>96</b>

## (d) Statement of Cash Flows

Total cash outflow for leases	132
	<b>132</b>

**Accounting policies under AASB 16 – applicable from 1 July 2019**

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

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

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

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

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 12. Leases (continued)

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

**Exceptions to lease accounting**

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

**Leases at significantly below market value / concessionary leases**

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

## (ii) Council as a lessor

## (e) Operating leases

\$ '000	2020
<b>(i) Operating lease income</b>	
<b>Other lease income</b>	
Room/Facility Hire	28
Housing/Community Housing	48
Sundry Land	42
<b>Total income relating to operating leases</b>	<b>118</b>

**Accounting policy**

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

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

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

The lease income is recognised on a straight-line basis over the lease term.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 13. Payables and borrowings

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
<b>Payables</b>				
Goods and services – operating expenditure	2,541	–	1,196	–
Goods and services – capital expenditure	1,925	–	1,709	–
Accrued expenses:				
– Borrowings	16	–	16	–
– Salaries and wages	602	–	305	–
Prepaid rates	617	–	529	–
<b>Total payables</b>	<b>5,701</b>	<b>–</b>	<b>3,755</b>	<b>–</b>
<b>Income received in advance (2019 only)</b>				
Payments received in advance	–	–	87	–
<b>Total income received in advance</b>	<b>–</b>	<b>–</b>	<b>87</b>	<b>–</b>
<b>Borrowings</b>				
Loans – secured <sup>1</sup>	568	11,458	539	12,024
Government advances	2	3	3	8
<b>Total borrowings</b>	<b>570</b>	<b>11,461</b>	<b>542</b>	<b>12,032</b>
<b><u>TOTAL PAYABLES AND BORROWINGS</u></b>	<b><u>6,271</u></b>	<b><u>11,461</u></b>	<b><u>4,384</u></b>	<b><u>12,032</u></b>

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

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 16.

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
<b>(a) Payables and borrowings relating to restricted assets</b>				
<b>Externally restricted assets</b>				
Water	130	–	54	–
<b>Total payables and borrowings relating to restricted assets</b>	<b>130</b>	<b>–</b>	<b>54</b>	<b>–</b>
<b>Total payables and borrowings relating to unrestricted assets</b>	<b>6,141</b>	<b>11,461</b>	<b>4,330</b>	<b>12,032</b>
<b><u>TOTAL PAYABLES AND BORROWINGS</u></b>	<b><u>6,271</u></b>	<b><u>11,461</u></b>	<b><u>4,384</u></b>	<b><u>12,032</u></b>

\$ '000	2020	2019
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### (b) Current payables and borrowings not anticipated to be settled within the next twelve months

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

Other liabilities	7	7
<b>Total payables and borrowings</b>	<b>7</b>	<b>7</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 13. Payables and borrowings (continued)

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

\$ '000	as at 30/06/19		Non-cash changes			as at 30/06/20
	Opening Balance	Cash flows	Acquisition	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	12,563	(537)	–	–	–	12,026
Government advances	11	(6)	–	–	–	5
Lease liabilities	–	(132)	684	–	126	678
<b>TOTAL</b>	<b>12,574</b>	<b>(675)</b>	<b>684</b>	<b>–</b>	<b>126</b>	<b>12,709</b>

\$ '000	as at 30/06/18		Non-cash changes			as at 30/06/19
	Opening Balance	Cash flows	Acquisition	Fair value changes	Other non-cash movement	Closing balance
Loans – secured	13,079	(516)	–	–	–	12,563
Government advances	11	–	–	–	–	11
<b>TOTAL</b>	<b>13,090</b>	<b>(516)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>12,574</b>

\$ '000	2020	2019
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## (d) Financing arrangements

## (i) Unrestricted access was available at balance date to the following lines of credit:

Bank overdraft facilities <sup>1</sup>	500	500
Credit cards/purchase cards	50	50
<b>Total financing arrangements</b>	<b>550</b>	<b>550</b>

## Drawn facilities as at balance date:

– Credit cards/purchase cards	7	12
<b>Total drawn financing arrangements</b>	<b>7</b>	<b>12</b>

## Undrawn facilities as at balance date:

– Bank overdraft facilities	500	500
– Credit cards/purchase cards	36	38
<b>Total undrawn financing arrangements</b>	<b>536</b>	<b>538</b>

## Additional financing arrangements information

## Breaches and defaults

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 13. Payables and borrowings (continued)

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#### **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 and bank and other loans.

#### **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.

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 14. Provisions

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
<b>Provisions</b>				
<b>Employee benefits</b>				
Annual leave	1,694	–	1,482	–
Long service leave	3,545	254	3,315	206
Rostered days off	182	–	140	–
Wages – time in lieu	33	–	38	–
<b>Sub-total – aggregate employee benefits</b>	<b>5,454</b>	<b>254</b>	<b>4,975</b>	<b>206</b>
<b>Asset remediation/restoration:</b>				
Asset remediation/restoration (future works)	–	4,716	–	4,638
<b>Sub-total – asset remediation/restoration</b>	<b>–</b>	<b>4,716</b>	<b>–</b>	<b>4,638</b>
<b>Other provisions</b>				
Other	7	–	7	–
<b>Sub-total – other provisions</b>	<b>7</b>	<b>–</b>	<b>7</b>	<b>–</b>
<b>TOTAL PROVISIONS</b>	<b>5,461</b>	<b>4,970</b>	<b>4,982</b>	<b>4,844</b>

#### (a) Provisions relating to restricted assets

<b>Externally restricted assets</b>				
Water	3	–	10	–
Sewer	–	–	2	–
Provisions relating to externally restricted assets	3	–	12	–
<b>Total provisions relating to restricted assets</b>	<b>3</b>	<b>–</b>	<b>12</b>	<b>–</b>
<b>Total provisions relating to unrestricted assets</b>	<b>5,458</b>	<b>4,970</b>	<b>4,970</b>	<b>4,844</b>
<b>TOTAL PROVISIONS</b>	<b>5,461</b>	<b>4,970</b>	<b>4,982</b>	<b>4,844</b>

\$ '000	2020	2019
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#### (b) Current provisions not anticipated to be settled within the next twelve months

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

Provisions – employees benefits	3,517	2,898
	<b>3,517</b>	<b>2,898</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 14. Provisions (continued)

#### (c) Description of and movements in provisions

\$ '000	ELE provisions			Total
	Annual leave	Long service leave	Other employee benefits	
<b>2020</b>				
At beginning of year	1,482	3,521	178	5,181
Additional provisions	1,133	607	572	2,312
Amounts used (payments)	(921)	(329)	(535)	(1,785)
Total ELE provisions at end of year	1,694	3,799	215	5,708
<b>2019</b>				
At beginning of year	1,530	3,378	178	5,086
Additional provisions	945	478	518	1,941
Amounts used (payments)	(993)	(335)	(518)	(1,846)
Total ELE provisions at end of year	1,482	3,521	178	5,181

\$ '000	Other provisions		Total
	Asset remediation	Other Community Transport Bus	
<b>2020</b>			
At beginning of year	4,638	7	4,645
Other	78	–	78
Total other provisions at end of year	4,716	7	4,723
<b>2019</b>			
At beginning of year	6,188	7	6,195
Remeasurement effects	(1,708)	–	(1,708)
Unwinding of discount	158	–	158
Total other provisions at end of year	4,638	7	4,645

#### Nature and purpose of non-employee benefit provisions

##### Asset remediation/restoration

Council has a legal/public obligation to make, restore, rehabilitate and reinstate council landfill sites and quarries in-line with relevant licencing agreements.

During the 2018/19 Financial year Council made a significant adjustment to the provision to restore, rehabilitate and restate the Council Tips.

A major review was completed by Council staff and Tonkin Consulting to revise the estimates to remediate the current tip at the end of the useful life. The current estimate using the NSW EPA capping method was \$8.3 million for the estimate 12 hectares to be remediated. Using the new Phytocap method the estimate is \$4.1 million. Council has re-calculated the cost of remediation on the Phytocap Costs. This has led to a write back of provisions by \$2.288 million. This is identified in Note 3 (d) of the Financial Statements.

Council notes that Phytocap is only in testing phase with 5 Councils and EPA have not yet given approval for Gunnedah Shire Council to use Phytocap technology therefore providing a risk, if not accepted by the EPA, that our provision is understated.

Any changes to this risk will be reflected in future Financial Statements.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 14. Provisions (continued)

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#### Accounting policy for provisions

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

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

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

#### Employee benefits

##### Short-term obligations

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

##### Other long-term employee benefit obligations

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

##### On-costs

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

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

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

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

##### Restoration

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 14. Provisions (continued)

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#### 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.

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.

During 2019/20 as per Note 5 (b) ii - Other Borrowing Costs Council - recognised borrowing costs of \$78,000 compared to \$158,000 in 2018/19. Whilst in Note 5 (d) - Depreciation, amortisation and impairment of intangible assets & IPP&E an amount was recognised for \$451,000 in 2019/20 & \$339,000 in 2018/19 for the future remediation and restoration of Council's Tips and Quarry assets.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

#### (a) Nature and purpose of reserves

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

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

#### (b) Correction of errors relating to a previous reporting period

Council made no correction of errors during the current reporting period.

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

During the year ended 30 June 2020, the Council has adopted AASB 15 *Revenue from Contracts with Customers*, AASB 1058 *Income of Not-for-profit Entities* and AASB 16 *Leases* using the modified retrospective (cumulative catch-up) method and therefore the comparative information for the year ended 30 June 2019 has not been restated and continues to comply with AASB 111 *Construction Contracts*, AASB 117 *Leases*, AASB 118 *Revenue*, AASB 1004 *Contributions* and associated Accounting Interpretations.

All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 July 2019.

The impacts of adopting these standards and associated transition disclosures are provided below:

#### (i) AASB 15 and AASB 1058

##### **Costs incurred in fulfilling customer contracts**

Prior to adopting AASB 15 Council would recognise direct costs associated with fulfilling customer contracts as expenses when incurred, as they did not qualify for recognition as assets under any other accounting standards. Under AASB 15, as these costs relate directly to the contracts, generate resources used in satisfying the contracts, and are expected to be recovered, they are capitalised as 'costs to fulfil a contract' assets and realised through profit and loss on the same basis as the revenue is recognised.

##### **Transfer of control to a customer – over time or at a point in time**

AASB 15 has specific criteria regarding whether control is transferred over time or at a point in time. The entity has reviewed its contracts and concluded that the criteria for recognition over time is not met in some circumstances. In such cases, revenue and related production costs will be recognised at the delivery of each separate performance obligation instead of over the contract using a single margin.

##### **Principal v agent**

Prior to adoption of AASB 15, the Council had assessed that they were a principal in transactions where another party was involved in providing the goods or services including pass-through grants.

Under AASB 15, the indicators of a principal have changed and there are now a number of performance obligations within grant agreements where the Council is acting as an agent since the only obligation is to transfer the funds to a third party. The result is that Council can only recognise the "commission" to which they are entitled rather than the gross revenue and expenses. There is no change to reported profit.

##### **Licences**

Council has reviewed the licences it grants and considers that all licences are either short-term or low value and elects to recognise all revenue from licences up-front rather than spreading them over the life of the licence.

##### **Prepaid rates**

Under AASB 1004, rates were recorded as revenue at the earliest of receipt of the funds from the ratepayer and the beginning of the rating period. Under AASB 1058, prepaid rates are recognised as a financial liability until the beginning of the rating period.

##### **Grants – operating**

Under AASB 1004, most grant income was recognised as revenue on receipt. Under AASB 15, where an agreement is

## Notes to the Financial Statements

for the year ended 30 June 2020

**Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)**

enforceable and contains sufficiently specific performance obligations, the revenue is either recognised over time as the work is performed, or recognised at the point in time that the control of the services passes to the customer.

**Grants – capital**

Under AASB 1004, most grant monies were recorded as revenue on receipt. Under AASB 1058, where Council has received assets (including cash) to acquire or construct a non-financial asset, the asset is to be controlled by Council and the contract is enforceable, then the asset is recognised as a contract liability on receipt and recorded as revenue as the performance obligation to acquire or construct the asset is completed.

\$ '000	Balance at 1 July 2019
<b>Opening contract balances at 1 July 2019</b>	
<b>Contract liabilities</b>	
– Under AASB 15	2,075
<b>Total Contract liabilities</b>	<u>2,075</u>

**Comparison of financial statement line items under AASB 15 compared to previous standards for the current year**

The following tables show the impact of adopting AASB 15 and AASB 1058 on the Council's financial statements for the year ended 30 June 2020.

**Statement of Financial Position**

\$ '000	Carrying amount per Statement of Financial Position under AASB 15 and AASB 1058	Reclassific- ation	Remeasure- ment	Carrying amount under previous revenue standards
<b>Current assets</b>				
Cash and cash equivalents	5,422	–	–	5,422
Investments	31,265	–	–	31,265
Receivables	8,874	1,821	–	10,695
Inventories	563	–	–	563
Contract assets	1,821	(1,821)	–	–
Other	150	–	–	150
<b>Total current assets</b>	<u>48,095</u>	<u>–</u>	<u>–</u>	<u>48,095</u>
<b>Current liabilities</b>				
Payables	5,701	–	–	5,701
Contract liabilities	3,191	–	(3,191)	–
Lease liabilities	678	–	–	678
Borrowings	570	–	–	570
Provisions	5,461	–	–	5,461
<b>Total current liabilities</b>	<u>15,601</u>	<u>–</u>	<u>(3,191)</u>	<u>12,410</u>
<b>Non-current assets</b>				
Investments	25,000	–	–	25,000
Receivables	20	–	–	20
Infrastructure, property, plant and equipment	447,038	–	–	447,038

continued on next page ...

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## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

\$ '000	Carrying amount per Statement of Financial Position under AASB 15 and AASB 1058	Reclassific- ation	Remeasure- ment	Carrying amount under previous revenue standards
Right of use assets	738	–	–	738
<b>Total non-current assets</b>	<b>472,796</b>	<b>–</b>	<b>–</b>	<b>472,796</b>
<b>Non-current liabilities</b>				
Borrowings	11,461	–	–	11,461
Provisions	4,970	–	–	4,970
<b>Total Non-current liabilities</b>	<b>16,431</b>	<b>–</b>	<b>–</b>	<b>16,431</b>
<b>Net assets</b>	<b>488,859</b>	<b>–</b>	<b>3,191</b>	<b>492,050</b>
<b>Equity</b>				
Accumulated surplus	239,615	–	–	239,615
Revaluation reserves	249,244	–	–	249,244
<b>Council equity interest</b>	<b>488,859</b>	<b>–</b>	<b>–</b>	<b>488,859</b>
<b>Total equity</b>	<b>488,859</b>	<b>–</b>	<b>–</b>	<b>488,859</b>

## Income Statement

\$ '000	Income Statement and comprehen- sive income under AASB 15 and AASB 1058	Reclassific- ation	Remeasur- ement	Income Statement and comprehen- sive income under previous revenue standards
<u>Income from continuing operations</u>				
Rates and annual charges	18,770	–	–	18,770
User charges and fees	15,697	–	–	15,697
Other revenues	868	–	–	868
Grants and contributions provided for operating purposes	12,668	–	1,320	13,988
Grants and contributions provided for capital purposes	11,506	–	1,871	13,377
Interest and investment income	1,363	–	–	1,363
Rental income	118	–	–	118
<b>Total Income from continuing operations</b>	<b>60,990</b>	<b>–</b>	<b>3,191</b>	<b>64,181</b>
<u>Expenses from continuing operations</u>				
Employee benefits and on-costs	16,436	–	–	16,436
Borrowing costs	719	–	–	719
Materials and contracts	12,876	–	–	12,876
Depreciation and amortisation	10,434	–	–	10,434
Other expenses	3,778	–	–	3,778
Net losses from the disposal of assets	3,310	–	–	3,310
Revaluation decrement / impairment of IPP&E	5	–	–	5
<b>Total Expenses from continuing operations</b>	<b>47,558</b>	<b>–</b>	<b>–</b>	<b>47,558</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

**Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)**

\$ '000	Income Statement and comprehensive income under AASB 15 and AASB 1058	Reclassification	Remeasurement	Income Statement and comprehensive income under previous revenue standards
<b>Total Operating result from continuing operations</b>	13,432	–	3,191	16,623
Net operating result for the year	13,432	–	3,191	16,623
<b>Total comprehensive income</b>	18,264	–	–	18,264

**Adjustments to the current year figures for the year ended 30 June 2020**

\$ '000	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
Contract Liabilities previously recognised as income <sup>(i)</sup>	–	(2,075)	(2,075)
<b>Total equity</b>	<b>–</b>	<b>(2,075)</b>	<b>(2,075)</b>

(i) Grant Income received in 2018/19 now recognised as Contract Liability

**(ii) AASB 16 Leases****Council as a lessee**

Under AASB 117, Council assessed whether leases were operating or finance leases, based on its assessment of whether the significant risks and rewards of ownership had been transferred to Council or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low-value assets).

Council has used the exception to lease accounting for short-term leases and leases of low-value assets, and the lease expense relating to these leases is recognised in the Income Statement on a straight-line basis.

**Practical expedients used on transition**

AASB 16 includes a number of practical expedients which can be used on transition. Council has used the following expedients:

- Contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16.
- Lease liabilities have been discounted using the Council's incremental borrowing rate at 1 July 2019.
- Right-of-use assets at 1 July 2019 have been measured at an amount equal to the lease liability adjustment by the any prepaid or accrued lease payments.
- A single discount rate was applied to all leases with similar characteristics.
- The right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 30 June 2019 rather than perform impairment testing of the right-of-use asset.
- Excluded leases with an expiry date prior to 30 June 2020 from the Statement of Financial Position, and lease expenses for these leases have been recorded on a straight-line basis over the remaining term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

**Financial statement impact of adoption of AASB 16**

Council has recognised right-of-use assets and lease liabilities of \$86,063 at 1 July 2019 for leases previously classified as operating leases, or leases that are significantly below market value which were previously off balance sheet.

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 15. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

The weighted average lessee's incremental borrowing rate applied to lease liabilities at 1 July 2019 was 1.30%.

## Statement of Financial Position

\$ '000	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
Rights-of-use assets	–	86	86
<b>Total assets</b>	<b>–</b>	<b>86</b>	<b>86</b>
Payables – accrued interest on leases (30/6/2019)	–	86	86
<b>Total liabilities</b>	<b>–</b>	<b>86</b>	<b>86</b>
Accumulated surplus	–	–	–
<b>Total equity</b>	<b>–</b>	<b>–</b>	<b>–</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 16. Statement of cash flow information

\$ '000	Notes	2020	2019
<b>(a) Reconciliation of cash and cash equivalents</b>			
Total cash and cash equivalents per Statement of Financial Position	7(a)	5,422	5,464
<b>Balance as per the Statement of Cash Flows</b>		<b>5,422</b>	<b>5,464</b>
<b>(b) Reconciliation of net operating result to cash provided from operating activities</b>			
<b>Net operating result from Income Statement</b>		13,432	12,940
<b>Adjust for non-cash items:</b>			
Depreciation and amortisation		10,434	10,039
Net losses/(gains) on disposal of assets		3,310	1,114
Non-cash capital grants and contributions		(617)	(286)
Adoption of AASB 15/1058		(2,075)	–
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– Revaluation decrements / impairments of IPP&E direct to P&L		5	30
- Landfill provision adjustment		–	(2,288)
Unwinding of discount rates on reinstatement provisions		–	158
<b>+/- Movement in operating assets and liabilities and other cash items:</b>			
Decrease/(increase) in receivables		(4,896)	1,488
Increase/(decrease) in provision for impairment of receivables		(60)	34
Decrease/(increase) in inventories		(20)	(52)
Decrease/(increase) in other current assets		44	(34)
Decrease/(increase) in contract assets		(1,821)	–
Increase/(decrease) in payables		1,345	(673)
Increase/(decrease) in accrued interest payable		–	(1)
Increase/(decrease) in other accrued expenses payable		297	25
Increase/(decrease) in other liabilities		1	176
Increase/(decrease) in contract liabilities		3,191	–
Increase/(decrease) in provision for employee benefits		527	95
Increase/(decrease) in other provisions		78	–
<b>Net cash provided from/(used in) operating activities from the Statement of Cash Flows</b>		<b>23,175</b>	<b>22,765</b>
<b>(c) Non-cash investing and financing activities</b>			
Other non-cash items		–	78
Developer Contributions to the Gunnedah Sewerage Network		–	68
Developer Contributions to the Gunnedah Water Network		–	140
Culvert Assets		617	–
<b>Total non-cash investing and financing activities</b>		<b>617</b>	<b>286</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 17. Interests in other entities

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#### Subsidiaries, joint arrangements and associates not recognised

Gunnedah Shire Council is a member of Namoi Unlimited - Joint Organisation of Councils. The interest in the Joint Organisation of Councils is to progress the strategic objectives of the region and lobby on there behalf.

There are 5 members of the Council and Gunnedah Shire pays an annual membership. There are no material assets of the Council other than unspent membership payments. There is no material liabilities or debt of the Council.

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 18. Commitments

\$ '000	2020	2019
<b>(a) Capital commitments (exclusive of GST)</b>		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
<b>Property, plant and equipment</b>		
Plant and equipment	1,414	–
Sewerage Network	141	82
Other Assets	18	124
Waste Management facility	–	10
Roads	168	257
Water	1,446	491
Office Equipment	4	9
Open Space/recreational assets	869	256
Other Structures	–	18
Other Road Assets	–	3
Stormwater/Kerb & Gutter	–	1
<b>Total commitments</b>	<b>4,060</b>	<b>1,251</b>
<b>These expenditures are payable as follows:</b>		
Within the next year	4,060	1,251
<b>Total payable</b>	<b>4,060</b>	<b>1,251</b>
<b>Sources for funding of capital commitments:</b>		
Future grants and contributions	167	122
Externally restricted reserves	1,592	840
Internally restricted reserves	2,301	289
<b>Total sources of funding</b>	<b>4,060</b>	<b>1,251</b>

**(b) Non-cancellable operating lease commitments (2019 only)****a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:**

Within the next year	–	52
Later than one year and not later than 5 years	–	34
<b>Total non-cancellable operating lease commitments</b>	<b>–</b>	<b>86</b>

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

Refer to Note 12 for information relating to leases for 2020.

- GoCo Office Rent - Kootingal - Lease from 1st April 2018 to 30th June 2020. Renewal option not exercised
- GoCo Office Rent - Barraba - Lease from 2nd April 2018 to 1st April 2020. No Option. Continuing on a month to month basis
- GoCo Office Rent - Tamworth - Lease 16th October 2017 to 11th October 2019. Vacated March 2020
- Council Office Rent - Gunnedah - Lease 13th May 2019 to 12th November 2019 + 6 month option. Vacated May 2020
- GoCo Office Rent - Narrabri - Lease 22nd February 2011 to 22nd February 2014 + 3 year option to 22nd February 2017. Allowed an additional 4 years to 22nd February 2021.
- GoCo Office Rent - Tamworth - Lease 1st February 2020 to 31st January 2025 + 5 year option. Allowed additional 10 years to 31st January 2035

**Conditions relating to finance and operating leases:**

– No lease agreements impose any financial restrictions on Council regarding future debt etc.

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 19. Contingencies

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

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

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

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

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

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

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

Division B	1.9 times employee contributions
Division C	2.5% salaries
Division D	1.64 times employee contributions

The additional lump sum contribution for each Pooled Employer is a share of the total additional contributions of \$40 million per annum from 1 July 2019 for 3 years to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2019. These additional lump sum contributions are used to fund the deficit of assets to accrued liabilities as at 30 June 2019.

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

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

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

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

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2020 was \$342,576.15. The last valuation of the Scheme was performed by Mr Richard Boyfield, FIAA as at 30 June 2019.

The amount of additional contributions included in the total employer contribution advised above is \$195,600. Council's expected contribution to the plan for the next annual reporting period is \$186,100.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2020 is:

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 19. Contingencies (continued)

Employer reserves only *	\$millions	Asset Coverage
Assets	1,695.2	
Past Service Liabilities	1,773.2	95.6%
Vested Benefits	1,757.5	96.5%

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

The share of this deficit that is broadly attributed to Council is estimated to be in the order of 0.47% as at 30 June 2020.

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

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

Investment return	5.75% per annum
Salary inflation *	3.5% per annum
Increase in CPI	2.5% per annum

\* Plus promotional increases

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

**(ii) Statewide Limited**

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

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

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

**Civic Risk Mutual** - following a lengthy tender process, carried out by Local Government Procurement on behalf of 6 councils, including Gunnedah Shire Council, Council changed its insurance provider from Statewide Mutual Insurance to Civic Risk Mutual commencing 30 June 2020. Civic Risk Mutual provides group insurance and risk management services to 24 NSW based Councils.

**(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 2020

### Note 19. Contingencies (continued)

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#### 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.

#### ASSETS NOT RECOGNISED

##### (i) Land under roads

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

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 20. Financial risk management

## Risk management

Council's activities expose it to a variety of financial risks including market risk, credit risk, liquidity risk and interest rate risk.

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

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

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

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

A 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 2020	Carrying value 2019	Fair value 2020	Fair value 2019
<b>Financial assets</b>				
<b>Measured at amortised cost</b>				
Cash and cash equivalents	5,422	5,464	5,422	5,464
Receivables	8,894	3,944	8,894	3,944
Investments				
– 'Financial assets - 'amortised cost'	56,265	51,636	56,265	51,636
<b>Total financial assets</b>	<b>70,581</b>	<b>61,044</b>	<b>70,581</b>	<b>61,044</b>
<b>Financial liabilities</b>				
Payables	5,701	3,755	5,701	3,226
Loans/advances - 'amortised cost'	12,031	12,574	12,031	12,574
Lease liabilities	678	–	678	–
<b>Total financial liabilities</b>	<b>18,410</b>	<b>16,329</b>	<b>18,410</b>	<b>15,800</b>

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.

Council's objective is to maximise its return on cash and investments within Council's risk tolerances and policy settings, whilst maintaining an adequate level of liquidity and preserving capital.

Council's finance department 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 was updated during the current financial year. An investment report is also tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments held are:

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

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 20. Financial risk management (continued)

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
<b>2020</b>				
Possible impact of a 1% movement in interest rates	585	585	(585)	(585)
<b>2019</b>				
Possible impact of a 1% movement in interest rates	571	571	(571)	(571)

## (b) Credit risk

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

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

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

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

## Credit risk profile

## Receivables – rates and annual charges

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

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
<b>2020</b>						
Gross carrying amount	–	694	118	63	44	919
<b>2019</b>						
Gross carrying amount	–	534	85	84	42	745

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 20. Financial risk management (continued)

**Receivables - non-rates and annual charges**

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

The loss allowance provision as at 30 June 2020 is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
<b>2020</b>						
Gross carrying amount	7,281	241	25	9	497	8,053
<b>2019</b>						
Gross carrying amount	1,019	1,688	9	6	615	3,337

**(c) Liquidity risk**

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	payable in: ≤ 1 Year	1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
<b>2020</b>							
Trade/other payables	0.00%	–	5,084	–	–	5,084	5,084
Loans and advances	5.06%	–	1,172	4,681	11,365	17,218	12,031
<b>Total financial liabilities</b>		–	<b>6,256</b>	<b>4,681</b>	<b>11,365</b>	<b>22,302</b>	<b>17,115</b>
<b>2019</b>							
Trade/other payables	0.00%	–	3,226	–	–	3,226	3,226
Loans and advances	5.06%	–	1,173	4,683	12,534	18,390	12,574
<b>Total financial liabilities</b>		–	<b>4,399</b>	<b>4,683</b>	<b>12,534</b>	<b>21,616</b>	<b>15,800</b>

**Loan agreement breaches**

There have been no breaches of loan agreements during the reporting period.

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 21. Material budget variations

Council's original financial budget for 19/20 was adopted by the Council on 19/06/2019 and is unaudited.

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

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

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

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

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
<b>REVENUES</b>				
Rates and annual charges	18,432	18,770	338	2% <b>F</b>
User charges and fees	14,563	15,697	1,134	8% <b>F</b>
Other revenues	548	868	320	58% <b>F</b>
Other Revenue have increased due to reimbursement of operating costs relating to the Flouridation, additional Diesel Fuel Rebate allocations.				
Operating grants and contributions	11,145	12,668	1,523	14% <b>F</b>
Operating Grants & Contribution have increased from additional Grant funds received for Drought Funding, GoCo funding and road funding.				
Capital grants and contributions	25,128	11,506	(13,622)	(54)% <b>U</b>
Capital Grants and Contributions were budgeted to be received were not received during the 2019/20 year. These include Grants for the following projects.. Bloomfield St, Mystery Road, Grain Valley Road and the Koala Park. The Industrial Precinct project did not advance.				
Interest and investment revenue	1,407	1,363	(44)	(3)% <b>U</b>
Rental income	–	118	118	∞ <b>F</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 21. Material budget variations

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
<b>EXPENSES</b>				
<b>Employee benefits and on-costs</b>	15,827	16,436	(609)	(4)% <b>U</b>
<b>Borrowing costs</b>	1,119	719	400	36% <b>F</b>
Projected Loan funds for the Industrial Precinct did not eventuate. Interest was budgeted on the loan.				
<b>Materials and contracts</b>	13,838	12,876	962	7% <b>F</b>
<b>Depreciation and amortisation</b>	10,039	10,434	(395)	(4)% <b>U</b>
<b>Other expenses</b>	2,669	3,778	(1,109)	(42)% <b>U</b>
Training Costs & Travelling expenses have changed from Employee Costs to Other Expenses which would not have been reflected in the original budget. There has been a significant increase in the NSW Rural Fire Service Levy.				
<b>Net losses from disposal of assets</b>	-	3,310	(3,310)	∞ <b>U</b>
Council has made no budget for losses or gains on the disposal of assets due to the uncertainty of this activity, however losses have occurred when expenditure has occurred on infrastructure assets where the assets have a remaining useful life.				
<b>Revaluation decrement / impairment of IPP&amp;E</b>	-	5	(5)	∞ <b>U</b>
Council has made no budget for impairment of assets due to the uncertainty of this activity.				

**STATEMENT OF CASH FLOWS**

<b>Cash flows from operating activities</b>	39,623	23,175	(16,448)	(42)% <b>U</b>
Cash Flow from Operating Activities have been effected by the Grants & Contributions not yet forthcoming, amounting to Approx 19Mil. The initial budget included grant funding for both the processing precinct and the koala park. Employee costs and materials reflect increased operating works, especially for RMS works as a proportion of costs.				
<b>Cash flows from investing activities</b>	(45,512)	(22,542)	22,970	(50)% <b>F</b>
The Cash flows from investing activities have been effected due to the Purchase of Infrastructure, property, plant and equipment not being completed.				
<b>Cash flows from financing activities</b>	1,425	(675)	(2,100)	(147)% <b>U</b>
Cash flow from financing are as a result of the proposed loan of \$2,000,000 not being taken out as at 30th June 2020 with the Industrial Precinct not proceeding.				

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 22. Fair Value Measurement

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

2020	Fair value measurement hierarchy				Total
	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>\$ '000</b>					
<b>Infrastructure, property, plant and equipment</b>					
Plant and equipment	30/6/2017	–	–	10,073	10,073
Office equipment	30/06/2017	–	–	743	743
Furniture and fittings	30/6/2017	–	–	485	485
Crown Land	30/6/2017	–	–	3,918	3,918
Operational land	30/6/2018	–	–	8,667	8,667
Community land	30/6/2017	–	–	2,412	2,412
Land Under Roads (post 30/6/2008)	30/6/2016	–	–	3,268	3,268
Land Improvements	30/6/2018	–	–	2,238	2,238
Buildings – non specialised	30/6/2018	–	–	11,860	11,860
Buildings – specialised	30/6/2018	–	–	20,550	20,550
Other structures	30/6/2016	–	–	3,845	3,845
Roads	30/6/2018	–	–	187,474	187,474
Bridges	30/6/2020	–	–	27,320	27,320
Footpaths	30/06/20	–	–	7,087	7,087
Other Road Assets	30/6/2020	–	–	3,508	3,508
Stormwater drainage	30/6/2015	–	–	38,696	38,696
Water supplies networks	30/6/2017	–	–	45,179	45,179
Sewerage networks	30/6/2017	–	–	34,778	34,778
Swimming pools	30/6/2019	–	–	9,279	9,279
Other open space/ recreational assets	30/6/2016	–	–	4,762	4,762
Other Infrastructure	30/6/2020	–	–	2,583	2,583
Library books	30/6/2019	–	–	149	149
Other assets	30/6/2019	–	–	2,561	2,561
Tip remediation assets	30/6/2019	–	–	3,769	3,769
Quarry remediation assets	30/6/2018	–	–	375	375
<b>Total infrastructure, property, plant and equipment</b>		<b>–</b>	<b>–</b>	<b>435,579</b>	<b>435,579</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 22. Fair Value Measurement (continued)

2019	Fair value measurement hierarchy				Total
	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>\$ '000</b>					
<b>Infrastructure, property, plant and equipment</b>					
Plant and equipment	30/06/17	–	–	10,212	10,212
Office equipment	30/06/17	–	–	795	795
Furniture and fittings	30/06/17	–	–	405	405
Crown Land	30/06/17	–	–	4,059	4,059
Operational land	30/06/18	–	–	8,511	8,511
Community land	30/06/17	–	–	2,412	2,412
Land Under Roads (post 30/6/2008)	30/06/16	–	–	3,268	3,268
Land Improvements	30/06/18	–	–	2,238	2,238
Buildings – non specialised	30/06/18	–	–	12,149	12,149
Buildings – specialised	30/06/18	–	–	20,854	20,854
Other structures	30/06/16	–	–	3,893	3,893
Roads	30/06/18	–	–	186,183	186,183
Bridges	30/06/15	–	–	25,802	25,802
Footpaths	30/06/15	–	–	6,017	6,017
Other Road Assets	30/06/15	–	–	2,707	2,707
Stormwater drainage	30/06/15	–	–	39,221	39,221
Water supplies networks	30/06/17	–	–	40,442	40,442
Sewerage networks	30/06/17	–	–	34,997	34,997
Swimming pools	30/06/19	–	–	9,344	9,344
Other open space/ recreational assets	30/06/16	–	–	3,049	3,049
Other Infrastructure	30/06/15	–	–	1,652	1,652
Library books	30/06/19	–	–	140	140
Other assets	30/06/19	–	–	2,250	2,250
Tip remediation assets	30/06/19	–	–	4,190	4,190
Quarry remediation assets	30/06/18	–	–	405	405
<b>Total infrastructure, property, plant and equipment</b>		–	–	<b>425,195</b>	<b>425,195</b>

## (2) Transfers between level 1 and level 2 fair value hierarchies

The following transfers occurred between level 1 and level 2 fair value hierarchies during the year:

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

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

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

**Infrastructure, property, plant and equipment (IPP&E)****Plant & Equipment, Office Equipment and Furniture & Fittings**

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 items.

Example of assets in these classes are as follows:

- Plant & Equipment - Graders, trucks, Motor Vehicles
- Office Equipment - Computer Equipment
- Furniture & Fittings - Desks, Chairs.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 22. Fair Value Measurement (continued)

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The key unobservable inputs to the valuation are the remaining life and residual value. Council reviews the classes of assets each year for signs of impairment. There has been no change in the valuation process during the reporting year.

#### Operational Land

This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. The key unobservable input to the valuations is the price per square metre. The last valuation was undertaken at 30 June 2018 and was performed by Thomas Donoghue AAPI (CPV) from Donoghue Property Valuations and Consultancy. Registered Valuer API No: 71002.

All operational land has been valued at fair value (highest and best use) after identifying all elements that would be taken into account by buyers and sellers in setting the price including but not limited to the land description, area and dimensions, planning and other constraints on development and potential for alternate use. There has been no change to the valuation process during the reporting period.

Previously this class included Crown Land that was deemed operational. During the year \$565,636 was reallocated from Operational Land to a new Crown Land Asset Class.

#### Community Land

Valuations of all Council's Community Land were performed by AssetVal Pty Ltd, Matthew Ward, Certified Practising Valuer, QLD #3258 B.App. Sc (Property Economics) AAPI as at 30th June 2017.

All Community Land has been valued at fair value (highest and best use). As these rates were not considered to be observable market evidence they have been classified as Level 3. There has been no change to the valuation process during the reporting year.

Previously this class included Crown Land that was deemed Community Land. During the year \$4,059,208 was reallocated from Community Land to a new Crown Land Asset Class.

#### Crown Land

This asset class was created as at 30th June 2020 to separate Council controlled Crown Land from within Councils Operational Land and Community Land asset classes.

The Council controlled Crown Land was valued using NSW Valuer General's valuations. Where there was no specific land values from the Valuer General, it was based on the pro rata valuation from adjoining properties.

Council will progressively review its Crown Land Asset Class against information from Crown Land listing for accuracy and completeness.

#### Land Under Roads (Post 1 July 2008)

The Roads have been valued in a comparison basis with reference to the Australian Accounting Standard AASB116 Property, Plant & Equipment.

Land under roads acquired after 1 July 2008 is to be recognised in accordance with AASB 116, but should be consistent with the valuation methodology for land under roads held up to 1 July 2008 where that land has been recognised.

Fair value is based on highest and best possible use. The highest and best use of a non-financial assets takes into account the use of the asset that is physically possible, legally permissible and financially feasible. Land under roads are valued by Donoghue Property Valuations, Thomas Donoghue AAPI (CPV) Registered Valuer NSW VAL024883.

#### Buildings - Non Specialised and Specialised

Valuations of all Council's Buildings Specialised & Non-Specialised were based on valuations performed by Donoghue Property Valuations and Consultancy, Thomas Donoghue AAPI (CPV), Registered Valuer API No: 71002 as at 30th June 2018.

The value of non-specialised buildings, which are predominately houses and units for which there is a secondary market, have been determined on the basis of fair value.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 22. Fair Value Measurement (continued)

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Buildings that have been determined as specialised, meaning they are designed for a particular purpose for which there is generally little or no market based evidence available, they have been valued on the basis of depreciated replacement cost taking into consideration a reduction for physical wear and tear and functional obsolescence. The valuations take into account different components of buildings and different useful lives.

While all buildings were physically inspected, inputs such as estimates of residual values and pattern of consumption required extensive judgement and impacted on the final determination of fair value. As such these assets were classified as having been valued using Level 3 valuation inputs.

The valuation was completed as at 30th June 2018.

#### Other Structures

Other Structures class generally comprises memorials, weighbridges and saleyards and were revalued as at 30th June 2016.

Valuations of all Council's - Other Structures were based on valuations performed by AssetVal Pty Ltd, Matthew Ward, Certified Practising Valuer QLD #3258 B.App.Sc (Property Economics) AAPI.

The cost approach has been utilised whereby the replacement cost was estimated for each asset taking into account a range of factors. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

#### Roads

This class of assets comprises Urban Roads, Sealed Rural Roads, Unsealed Rural Roads.

Council uses the "Cost Approach" using Level 3 inputs for all Road infrastructure. Valuations for Road Infrastructure are componentised generally into surface, pavement & formation to reflect the different nature of the assets.

The cost approach was utilised with inputs such as estimates pattern of consumption, residual value, asset condition and useful life requiring extensive professional judgement which significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is some uncertainty regarding the actual design, specifications and dimensions of some assets. A full revaluation of the Roads have been completed as at 30th June 2018 by APV Valuers & Asset Management.

#### Other Road Assets

This asset class comprises Road Furniture, Islands & Pedestrian Refuges, Guard Rails and Bus Shelters. The asset class has been used to better group assets by their characteristics, nature and risks.

Council uses the "Cost Approach" using Level 3 inputs for all Road infrastructure. Valuations for Road Infrastructure are componentised generally reflect the different nature of the assets.

The cost approach was utilised with inputs such as estimates pattern of consumption, residual value, asset condition and useful life requiring extensive professional judgement which significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is some uncertainty regarding the actual design, specifications and dimensions of some assets. A full revaluation of the Other Road Assets have been completed as at 30th June 2020 by APV Valuers and Asset Management and reviewed by the Chief Engineer of Council.

#### Bridges, Causeways & Culverts

Bridges and Causeways were valued as at 30th June 2020 by APV Valuers and Asset Management and reviewed by the Chief Engineer of Council using the cost approach.

- Culverts were valued as at 30th June 2020 Australis Asset Advisory Group and reviewed by the Chief Engineer using the cost approach. During the revaluation 41 additional Culverts were identified amounting to \$617,035.

The approach estimated the replacement cost for each bridge by componentising the bridges into significant parts with different useful lives and taking into account a range of factors. The components included the Bridge Deck/Superstructure,

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 22. Fair Value Measurement (continued)

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Bridge Abutments/Foundations and Bridge rails/handrails. The information is maintained in the BizeAssets Management System.

Inputs such as estimates of residual value and pattern of consumption required extensive professional judgement and impacted significantly on the final determination of fair value.

#### Footpaths

Footpaths were valued as at 30th June 2020 by APV Valuers and Asset Management and reviewed by the Chief Engineer of Council using the cost approach. Footpaths were segmented to match the adjacent road segment and no further componentisation was undertaken. Footpaths were originally mapped and condition assessed using a physical inspection by the Roads inspector. The information is maintained in the BizeAssets Management System.

Condition are updated as changes in the networks are observed through regular inspections.

#### Stormwater Drainage

Stormwater Assets comprise pits, pipes, open channels, headwalls and various types of water quality devices in the Urban Areas. Stormwater Drainage was valued by the Manager of Mapping, Assets, Design & Development and reviewed by the Director of Infrastructure and Services using the cost approach. As at 1st July 2017 Kerb & Gutter were added to the stormwater asset class from the road assets to better group assets by their characteristics, nature & risks. A full revaluation of Kerb & Gutter was completed as at 30th June 2015.

The 'Cost Approach' is the estimated 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 level of componentisation adopted by Council is in accordance with the Institute of Public Works Engineers Australia Infrastructure Management Manual (IMM). Inputs such as estimates of pattern of consumption, residual value, Asset Condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. There has been a valuation of Stormwater Assets as at 30th June 2015.

The Stormwater Asset Class will be revalued during 2020/21 year.

#### Water Supplies

The valuation of the Water Supplies was completed in June 2017 by AssetVal Pty Ltd. The Water supplies comprise the Gunnedah, Curlewis, Tambar Springs & Mullaley water schemes. The components of the Water Systems include the Mains, Bores, Reservoirs and Pumping Stations. The information is maintained on the BizeAsset Management System.

Due to the nature of much of the Water Network being inaccessible (subsurface) there are limitations in the inputs such as pattern of consumption, residual value, asset condition and useful life requiring extensive professional judgement which impact significantly on the final determination of fair value. There has been no change to the valuation process during the reporting period.

#### Sewerage Systems

The valuation of the Sewerage Systems was completed in June 2017 by AssetVal Pty Ltd. The Sewerage Systems comprise the Gunnedah & Curlewis Sewerage Systems. The components include the pipelines, Treatment works and Pump Stations. The assets are maintained on the BizeAssets Management System.

Due to the nature of much of the Sewer Network being inaccessible (subsurface) there are limitations in the inputs such as pattern of consumption, residual value, asset condition and useful life requiring extensive professional judgement which impact significantly on the final determination of fair value. There has been no change to the valuation process during the reporting period.

#### Swimming Pools

Swimming Pools class comprises the 3 pools, diving board & shade sails at the Gunnedah Swimming complex. During 2017/2018 and 2018/19 years the Pool complex is undergoing a major re-development including the 50 metre pool and buildings.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 22. Fair Value Measurement (continued)

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Valuations of Council's Swimming Pools were based on valuations performed by AssetVal Pty Ltd, Matthew Ward, Certified Practising Valuer QLD #3258 B.App.Sc (Property Economics) AAPI as at 30th June 2016. The 50 metre Pool was completed in December 2018 and did not require revaluation. A revaluation was completed on the 25 meter Indoor pool as at 30th June 2019 by Thomas Donoghue AAPI (CPV), Registered Valuer NSW VAL024883.

The cost approach has been utilised whereby the replacement cost was estimated for each asset taking into account a range of factors. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

#### Other Open Space/ Recreational Assets

Other Open Space/ Recreational Assets comprise tennis courts, showground structures such as lighting towers, Grandstands and Park structures such as play equipment, Rotundas, seating etc.

Valuations of Council's Other Open Space/Recreational Assets were based on valuations performed by AssetVal Pty Ltd, Matthew Ward, Certified Practising Valuer QLD #3258 B.App.Sc (Property Economics) AAPI. The valuation was performed as at 30th June 2016.

The cost approach has been utilised whereby the replacement cost was estimated for each asset taking into account a range of factors. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

#### Library Book/Other Assets

Library Books & Other Assets are valued at cost but are disclosed at fair value in the Notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items.

The Art Collections were revalued as at 30th June 2019 by Sandra McMahon, Director, WESWAL Gallery, Tamworth and Registered Art Valuer, Australian Cultural Gifts Program.

The key unobservable inputs to the valuation are the remaining life and residual value. Council reviews the classes of assets each year for signs of impairment. There has been no change in the valuation process during the reporting year.

#### Other Infrastructure

This asset class comprises the Aerodrome and Parking Areas. The asset class has been used to better group assets by their characteristics, nature and risks.

Council uses the "Cost Approach" using Level 3 inputs for all Road infrastructure. Valuations for Other Infrastructure are componentised generally reflect the different nature of the assets.

The cost approach was utilised with inputs such as estimates pattern of consumption, residual value, asset condition and useful life requiring extensive professional judgement which significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is some uncertainty regarding the actual design, specifications and dimensions of some assets. A full revaluation of the Other Infrastructure Assets has been completed as at 30th June 2020 by APV Valuers and Asset Management and reviewed by the Chief Engineer of Council.

#### Tip Remediation

Gunnedah Shire Council has 3 landfills being at Gunnedah, Curlewis & Carroll and 3 transfer stations at Mullaley, Breeza and Tambar Springs. The Waste management service includes a wide range of waste disposal services, resource recovery services, recycled and reclaimed products and waste management educational activities. It is recognised that there will be significant costs in the closure of the landfill sites.

Closure of the landfill will involve a wide range of activities including preparation of a Landfill Closure and Management Plan, final capping of the landfill, site re-vegetation, installation of a final landfill gas management system, revision of the surface

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 22. Fair Value Measurement (continued)

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water management system and leachate management infrastructure to suit post-closure operation, decommissioning and removal of infrastructure and equipment.

The evaluation of costs for the landfill closure and post closure management was prepared by the Principal Building and Environmental Officer, Manager of Waste in conjunction with Melissa Salt, Principal Scientist, Environment & Waste with Tonkin Consulting Level 2, 170 Frome Street, Adelaide using a new Phytocap costings. The Phytocap Cost estimate is new to the industry and is still subject to EPA approval. There are a number of test sites trialling the Phytocap in NSW currently. The key unobservable inputs are the discount rate, cost excavation rate, actual timing of costs and future environmental requirements. This valuation was reviewed at 30 June 2019.

#### Quarries Remediation

Council currently uses 11 pits to provide gravel as part of road maintenance and construction activities. These will require remediation in future periods.

Closure of the Quarries will require remediation including earth works to restore the quarries and reseed and plant native trees. The Quarry remediation Valuation was completed in June 2018 by the Acting Director of Infrastructure & Services / Chief Engineer.

The key unobservable inputs are the discount rate, Cost escalation, timing of future costs and future environmental requirement. There has been no change to the valuation process during the year.

All quarries utilised by Council previously and not under Council ownership have been remediated / made good in accordance with the licensing agreement with owners.

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 22. Fair Value Measurement (continued)

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

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

\$ '000	Plant and equipment	Office equipment	Furniture and fittings	Operational Land	Community Land
<b>2019</b>					
<b>Opening balance</b>	9,696	771	376	9,050	5,905
Purchases (GBV)	2,740	319	116	377	–
Disposals (WDV)	(632)	(1)	(5)	(363)	–
Depreciation and impairment	(1,592)	(294)	(82)	–	–
Revaluations to Equity	–	–	–	13	–
<b>Closing balance</b>	<b>10,212</b>	<b>795</b>	<b>405</b>	<b>9,077</b>	<b>5,905</b>
<b>2020</b>					
<b>Opening balance</b>	10,212	795	405	9,077	5,905
Purchases (GBV)	1,958	235	166	162	–
Disposals (WDV)	(511)	–	–	(6)	–
Depreciation and impairment	(1,586)	(287)	(86)	–	–
Adjustment between classes	–	–	–	(566)	(3,493)
<b>Closing balance</b>	<b>10,073</b>	<b>743</b>	<b>485</b>	<b>8,667</b>	<b>2,412</b>

\$ '000	Buildings non-specialised	Building specialised	Other structures	Roads	Bridges
<b>2019</b>					
<b>Opening balance</b>	12,109	16,573	3,778	186,630	26,277
Purchases (GBV)	42	4,362	242	2,776	–
Disposals (WDV)	–	–	–	(31)	(92)
Depreciation and impairment	(294)	(436)	(127)	(3,192)	(383)
Revaluations to Equity	292	355	–	–	–
<b>Closing balance</b>	<b>12,149</b>	<b>20,854</b>	<b>3,893</b>	<b>186,183</b>	<b>25,802</b>
<b>2020</b>					
<b>Opening balance</b>	12,149	20,854	3,893	186,183	25,802
Purchases (GBV)	5	196	83	6,867	617
Disposals (WDV)	–	–	–	(2,319)	–
Depreciation and impairment	(294)	(500)	(131)	(3,257)	(376)
Revaluations to Equity	–	–	–	–	1,277
<b>Closing balance</b>	<b>11,860</b>	<b>20,550</b>	<b>3,845</b>	<b>187,474</b>	<b>27,320</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 22. Fair Value Measurement (continued)

\$ '000	Footpaths	Stormwater	Water supply network	Sewerage network	Swimming pools
<b>2019</b>					
<b>Opening balance</b>	5,951	39,266	38,129	35,098	786
Purchases (GBV)	160	706	3,601	260	8,878
Disposals (WDV)	–	(57)	(937)	–	–
Depreciation and impairment	(94)	(694)	(933)	(910)	(117)
Revaluations to Equity	–	–	582	549	(203)
<b>Closing balance</b>	<b>6,017</b>	<b>39,221</b>	<b>40,442</b>	<b>34,997</b>	<b>9,344</b>
<b>2020</b>					
<b>Opening balance</b>	6,017	39,221	40,442	34,997	9,344
Purchases (GBV)	131	215	6,882	302	116
Disposals (WDV)	(20)	(43)	(1,611)	–	–
Depreciation and impairment	(96)	(697)	(895)	(845)	(181)
Revaluations to Equity	1,055	–	361	324	–
<b>Closing balance</b>	<b>7,087</b>	<b>38,696</b>	<b>45,179</b>	<b>34,778</b>	<b>9,279</b>

\$ '000	Other infrastructure	Other road assets	Land under roads (post 1/7/2008)	Open space recreational assets	Library books
<b>2019</b>					
<b>Opening balance</b>	1,783	2,736	3,268	2,388	147
Purchases (GBV)	–	22	–	846	22
Disposals (WDV)	–	–	–	(4)	–
Depreciation and impairment	(131)	(51)	–	(181)	(29)
<b>Closing balance</b>	<b>1,652</b>	<b>2,707</b>	<b>3,268</b>	<b>3,049</b>	<b>140</b>
<b>2020</b>					
<b>Opening balance</b>	1,652	2,707	3,268	3,049	140
Purchases (GBV)	86	14	–	1,935	39
Disposals (WDV)	–	–	–	(13)	–
Depreciation and impairment	(132)	(51)	–	(209)	(30)
Revaluations to Equity	977	838	–	–	–
<b>Closing balance</b>	<b>2,583</b>	<b>3,508</b>	<b>3,268</b>	<b>4,762</b>	<b>149</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 22. Fair Value Measurement (continued)

\$ '000	Other Assets	Tip remediation assets	Quarry remediation assets
<b>2019</b>			
<b>Opening balance</b>	2,093	3,919	435
Purchases (GBV)	295	–	–
Depreciation and impairment	(160)	(309)	(30)
Adjustment in Remediation Provision	–	580	–
Revaluations to Equity	22	–	–
<b>Closing balance</b>	<b>2,250</b>	<b>4,190</b>	<b>405</b>
<b>2020</b>			
<b>Opening balance</b>	2,250	4,190	405
Purchases (GBV)	574	–	–
Depreciation and impairment	(263)	(421)	(30)
<b>Closing balance</b>	<b>2,561</b>	<b>3,769</b>	<b>375</b>

\$ '000	Land improvement	Crown Land	Total
<b>2019</b>			
<b>Opening balance</b>	2,238	–	<b>409,402</b>
Purchases (GBV)	–	–	<b>25,764</b>
Disposals (WDV)	–	–	<b>(2,122)</b>
Depreciation and impairment	–	–	<b>(10,039)</b>
Adjustment in Remediation Provision	–	–	<b>580</b>
Revaluations to Equity	–	–	<b>1,610</b>
<b>Closing balance</b>	<b>2,238</b>	<b>–</b>	<b>425,195</b>
<b>2020</b>			
<b>Opening balance</b>	2,238	–	<b>425,195</b>
Purchases (GBV)	–	–	<b>20,583</b>
Disposals (WDV)	–	(141)	<b>(4,664)</b>
Depreciation and impairment	–	–	<b>(10,367)</b>
Adjustment between classes	–	4,059	–
Revaluations to Equity	–	–	<b>4,832</b>
<b>Closing balance</b>	<b>2,238</b>	<b>3,918</b>	<b>435,579</b>

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

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

\$ '000	Fair value (30/6/20)	Valuation technique/s	Unobservable inputs
<b>Infrastructure, property, plant and equipment</b>			
Plant and equipment	10,073	Approximate Fair Value	Remaining Life, Long life component - non depreciable.
Office equipment	743	Approximate Fair Value	Remaining Life, Long life component - non depreciable.
Furniture and fittings	485	Approximate Fair Value	Remaining Life, Long life component - non depreciable.

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 22. Fair Value Measurement (continued)

\$ '000	Fair value (30/6/20)	Valuation technique/s	Unobservable inputs
Crown Land	3,918	Fair Value (highest & best use)	Not considered to have observable market evidence.
Land - Operational	8,667	Fair Value (highest & best use)	Price per square metre.
Land - Community	2,412	Fair Value (highest & best use)	Not considered to have observable market evidence.
Land under roads (post 30/6/2008)	3,268	Highest and best possible use.	Based on physically possible, legally permissible and financially feasible use.
Buildings - non specialised	11,860	Depreciated replacement costs taking into account physical wear and tear.	Estimates of Long life component - non depreciable and pattern of consumption require extensive judgement.
Buildings - Specialised	20,550	Depreciated replacement costs taking into account physical wear and tear.	Estimates of Long life component - non depreciable and pattern of consumption require extensive judgement.
Other Structures	3,845	Replacement cost taking into a range of factors.	Pattern of consumption, Long life component - non depreciable, asset condition and useful life.
Roads	187,474	Cost Approach	Pattern of consumption, Long Life component - non depreciable, asset condition and useful life, requiring professional judgement.
Bridges	27,320	Cost Approach	Pattern of consumption, Long Life component - non depreciable, asset condition and useful life, requiring professional judgement.
Footpaths	7,087	Cost Approach	Pattern of consumption, Long Life component - non depreciable, asset condition and useful life, requiring professional judgement.
Stormwater Drainage	38,696	Cost Approach	Pattern of consumption, Long Life component - non depreciable, asset condition and useful life, requiring professional judgement.
Water Supply Network	45,179	Cost Approach	Pattern of consumption, Long Life component - non depreciable, asset condition and useful life, requiring professional judgement. The nature of water assets is they are unassessable being subsurface.
Sewerage Network	34,778	Cost Approach	Pattern of consumption, Long Life component - non depreciable, asset condition and useful life, requiring professional judgement. The nature of sewer assets is they are unassessable being subsurface.
Swimming Pools	9,279	Cost Approach	Pattern of consumption, Long Life component - non depreciable, asset condition and useful life, requiring professional judgement
Library Books	149	Approximate Fair Value	Remaining Life, Long Life component - non depreciable
Other Open Space	4,762	Cost Approach	Pattern of consumption, Long Life component - non depreciable, asset condition and useful life, requiring professional judgement

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 22. Fair Value Measurement (continued)

\$ '000	Fair value (30/6/20)	Valuation technique/s	Unobservable inputs
Other Assets	2,561	Approximate Fair Value	Remaining Life, Long Life component - non depreciable
Tip Assets	3,769	Evaluation of costs for the landfill closure as per closure plan	Discount Rates, excavation rates, timing and future environmental requirements.
Quarry Assets	375	Evaluation of costs for the quarry closure.	Discount Rates, excavation rates, timing and future environmental requirements.
Other Road Assets	3,508	Cost Approach	Pattern of consumption, Long Life component - non depreciable, asset condition and useful life, requiring professional judgement
Other Infrastructure	2,583	Cost Approach	Pattern of consumption, Long Life component - non depreciable, asset condition and useful life, requiring professional judgement
Land Improvements	2,238	Cost Approach	Non Depreciable.

**c. The valuation process for level 3 fair value measurements**

During 2019/20 Gunnedah Shire Council have undertaken valuations of Bridges, Causeways and Culverts, Footpaths, Other Road Assets including Road Furniture, Islands & Pedestrian Refuges, Guard Rails and Bus Shelters and Other Infrastructure including Aerodrome and Parking Areas.

Gunnedah Shire Council has valued these asset classes on a fair value basis in accordance with Australian Accounting Standards - AASB13 "Fair Value Measurement" and AASB116 "Property, Plant and Equipment" and in conjunction with NSW Local Government Code of Accounting Practice and NSW Treasury Policy TPP 07-01 "Valuation of Physical Non-Current Assets at Fair Value". Due to the nature of Local Government Assets the cost approach has been taken and is deemed a Level 3 Input.

As there is no market for these assets, the net current value is calculated as the current replacement value less accumulated depreciation that reflects the consumed or expired service potential of the asset.

The estimate has been determined by independent valuers based on the depreciated replacement cost with depreciation taking into consideration reduction for physical wear and tear and functional obsolescence.

The valuation for these asset classes except Causeways was completed by Janaka Weerasinghe and John Deac from APV Valuers and Asset Management.

The valuation for Causeways was completed by Andrew Suddards BEng Mech MIPWEA from Australis Asset Advisory Group.

Valuations are recorded in Gunnedah Shire Council's Asset Management System (Biz E Assets).

**(5) Highest and best use**

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

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 23. Related party disclosures

## (a) Key management personnel

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

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

\$ '000	2020	2019
<b>Compensation:</b>		
Short-term benefits	1,452	1,196
Post-employment benefits	136	114
Other long-term benefits	38	32
Termination benefits	20	–
<b>Total</b>	<b>1,646</b>	<b>1,342</b>

## (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.

There are no other material disclosures to be made by KMP.

## Note 24. Events occurring after the reporting date

Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 25. 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 30/06/19			as at 30/06/20				
	Opening Balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Drainage	605	34	–	13	–	–	652	–
Parking	115	–	–	2	–	–	117	–
Open space	22	–	–	1	(22)	–	1	–
Community facilities	31	–	–	1	(32)	–	–	–
<b>S7.11 contributions – under a plan</b>	<b>773</b>	<b>34</b>	<b>–</b>	<b>17</b>	<b>(54)</b>	<b>–</b>	<b>770</b>	<b>–</b>
<b>S7.12 levies – under a plan</b>	<b>1,426</b>	<b>169</b>	<b>–</b>	<b>33</b>	<b>(133)</b>	<b>–</b>	<b>1,495</b>	<b>–</b>
<b>Total S7.11 and S7.12 revenue under plans</b>	<b>2,199</b>	<b>203</b>	<b>–</b>	<b>50</b>	<b>(187)</b>	<b>–</b>	<b>2,265</b>	<b>–</b>
S7.4 planning agreements	–	107	–	1	(108)	–	–	–
S64 contributions	6,283	158	–	133	–	–	6,574	–
<b>Total contributions</b>	<b>8,482</b>	<b>468</b>	<b>–</b>	<b>184</b>	<b>(295)</b>	<b>–</b>	<b>8,839</b>	<b>–</b>

#### S7.11 Contributions – under a plan

##### CONTRIBUTION PLAN NUMBER 1

Drainage	605	34	–	13	–	–	652	–
Parking	115	–	–	2	–	–	117	–
Open space	22	–	–	1	(22)	–	1	–
Community facilities	31	–	–	1	(32)	–	–	–
<b>Total</b>	<b>773</b>	<b>34</b>	<b>–</b>	<b>17</b>	<b>(54)</b>	<b>–</b>	<b>770</b>	<b>–</b>

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

Note 25. Statement of developer contributions (continued)

	as at 30/06/19			Interest earned in year	Expenditure during year	Internal borrowing (to)/from	as at 30/06/20	
	Opening Balance	Contributions received during the year	Cumulative internal borrowings due/(payable)				Held as restricted asset	
\$ '000		Cash	Non-cash					
<b>S7.12 Levies – under a plan</b>								
<b>CONTRIBUTION PLAN NUMBER 01</b>								
Community facilities	1,426	169	–	33	(133)	–	1,495	–
<b>Total</b>	<b>1,426</b>	<b>169</b>	<b>–</b>	<b>33</b>	<b>(133)</b>	<b>–</b>	<b>1,495</b>	<b>–</b>

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 26. Result by fund

\$ '000	General <sup>1</sup> 2020	Water 2020	Sewer 2020
<b>Income Statement by fund</b>			
<b>Income from continuing operations</b>			
Rates and annual charges	15,647	978	2,145
User charges and fees	10,918	3,914	865
Interest and investment revenue	900	259	204
Other revenues	700	157	11
Grants and contributions provided for operating purposes	12,565	69	34
Grants and contributions provided for capital purposes	10,389	1,060	57
Rental income	118	–	–
<b>Total income from continuing operations</b>	<b>51,237</b>	<b>6,437</b>	<b>3,316</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	15,260	809	367
Borrowing costs	719	–	–
Materials and contracts	11,797	788	291
Depreciation and amortisation	8,632	917	885
Other expenses	2,304	968	506
Net losses from the disposal of assets	1,552	1,611	147
Revaluation decrement /impairment of IPPE	5	–	–
<b>Total expenses from continuing operations</b>	<b>40,269</b>	<b>5,093</b>	<b>2,196</b>
<b>Operating result from continuing operations</b>	<b>10,968</b>	<b>1,344</b>	<b>1,120</b>
<b>Net operating result for the year</b>	<b>10,968</b>	<b>1,344</b>	<b>1,120</b>
<b>Net operating result attributable to each council fund</b>	<b>10,968</b>	<b>1,344</b>	<b>1,120</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>579</b>	<b>284</b>	<b>1,063</b>

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 26. Result by fund (continued)

\$ '000	General <sup>1</sup> 2020	Water 2020	Sewer 2020
<b>Statement of Financial Position by fund</b>			
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4,894	456	72
Investments	7,818	12,608	10,839
Receivables	8,172	492	210
Inventories	465	98	–
Contract assets	1,821	–	–
Other	150	–	–
<b>Total current assets</b>	<b>23,320</b>	<b>13,654</b>	<b>11,121</b>
<b>Non-current assets</b>			
Investments	25,000	–	–
Receivables	20	–	–
Infrastructure, property, plant and equipment	362,854	47,895	36,289
Right of use assets	738	–	–
<b>Total non-current assets</b>	<b>388,612</b>	<b>47,895</b>	<b>36,289</b>
<b>TOTAL ASSETS</b>	<b>411,932</b>	<b>61,549</b>	<b>47,410</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	5,571	130	–
Contract liabilities	3,191	–	–
Lease liabilities	678	–	–
Borrowings	570	–	–
Provisions	5,458	3	–
<b>Total current liabilities</b>	<b>15,468</b>	<b>133</b>	<b>–</b>
<b>Non-current liabilities</b>			
Borrowings	11,461	–	–
Provisions	4,970	–	–
<b>Total non-current liabilities</b>	<b>16,431</b>	<b>–</b>	<b>–</b>
<b>TOTAL LIABILITIES</b>	<b>31,899</b>	<b>133</b>	<b>–</b>
<b>Net assets</b>	<b>380,033</b>	<b>61,416</b>	<b>47,410</b>
<b>EQUITY</b>			
Accumulated surplus	177,815	40,420	21,380
Revaluation reserves	202,218	20,996	26,030
<b>Council equity interest</b>	<b>380,033</b>	<b>61,416</b>	<b>47,410</b>
<b>Total equity</b>	<b>380,033</b>	<b>61,416</b>	<b>47,410</b>

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 27(a). Statement of performance measures – consolidated results

\$ '000	Amounts	Indicator	Prior periods		Benchmark
	2020	2020	2019	2018	
<b>1. Operating performance ratio</b>					
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>5,241</b>	<b>10.59%</b>	18.91%	14.98%	>0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>49,484</b>				
<b>2. Own source operating revenue ratio</b>					
Total continuing operating revenue excluding all grants and contributions <sup>1</sup>	<b>36,816</b>	<b>60.36%</b>	67.91%	60.99%	>60.00%
Total continuing operating revenue <sup>1</sup>	<b>60,990</b>				
<b>3. Unrestricted current ratio</b>					
Current assets less all external restrictions	<b>26,843</b>	<b>3.32x</b>	2.76x	4.66x	>1.50x
Current liabilities less specific purpose liabilities	<b>8,075</b>				
<b>4. Debt service cover ratio</b>					
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>16,394</b>	<b>11.76x</b>	14.85x	12.69x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<b>1,394</b>				
<b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>					
Rates, annual and extra charges outstanding	<b>991</b>	<b>5.05%</b>	4.28%	3.84%	<10.00%
Rates, annual and extra charges collectible	<b>19,643</b>				
<b>6. Cash expense cover ratio</b>					
Current year's cash and cash equivalents plus all term deposits	<b>61,603</b>	<b>20.95</b>	19.17	23.53	>3.00
Monthly payments from cash flow of operating and financing activities	<b>2,940</b>	<b>mths</b>	mths	mths	mths

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

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

## Notes to the Financial Statements

for the year ended 30 June 2020

## Note 27(b). Statement of performance measures – by fund

\$ '000	General Indicators <sup>3</sup>		Water Indicators		Sewer Indicators		Benchmark
	2020	2019	2020	2019	2020	2019	
<b>1. Operating performance ratio</b>							
Total continuing operating revenue excluding capital grants and contributions less operating expenses <sup>1,2</sup>	<b>9.53%</b>	18.07%	<b>5.28%</b>	19.10%	<b>32.62%</b>	28.66%	>0.00%
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>							
<b>2. Own source operating revenue ratio</b>							
Total continuing operating revenue excluding capital grants and contributions <sup>1</sup>	<b>55.20%</b>	66.09%	<b>82.46%</b>	69.09%	<b>97.26%</b>	85.39%	>60.00%
Total continuing operating revenue <sup>1</sup>							
<b>3. Unrestricted current ratio</b>							
Current assets less all external restrictions	<b>3.32x</b>	2.76x	<b>102.66x</b>	178.36x	∞	9,688.00x	>1.50x
Current liabilities less specific purpose liabilities							
<b>4. Debt service cover ratio</b>							
Operating result before capital excluding interest and depreciation/impairment/amortisation <sup>1</sup>	<b>9.50x</b>	11.92x	∞	∞	∞	∞	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
<b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>							
Rates, annual and extra charges outstanding	<b>6.00%</b>	4.00%	<b>0.00%</b>	6.38%	<b>0.00%</b>	5.57%	<10.00%
Rates, annual and extra charges collectible							
<b>6. Cash expense cover ratio</b>							
Current year's cash and cash equivalents plus all term deposits	<b>20.77</b>	19.07	∞	∞	∞	∞	>3.00
Payments from cash flow of operating and financing activities	<b>mths</b>	mths					mths

(1) - (2) Refer to Notes at Note 24a above.

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

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

Note 27(c). Statement of performance measures – consolidated results (graphs)

1. Operating performance ratio



**Purpose of operating performance ratio**

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

**Commentary on 2019/20 result**

2019/20 ratio	10.59%
---------------	--------

Council continues to maintain operating expenditures within operating revenues. Whilst the graph shows a decrease from last financial years it is well above the industry benchmark.

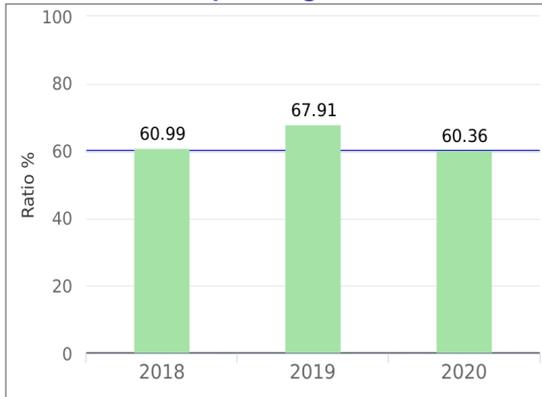
Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



**Purpose of own source operating revenue ratio**

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

**Commentary on 2019/20 result**

2019/20 ratio	60.36%
---------------	--------

This ratio reflects council's reliance on rating income. Whilst the ratio has decreased from the previous year, Council still remains above the Local Government benchmark of 60%. The lower ratio reflects the increase in grants & contributions received.

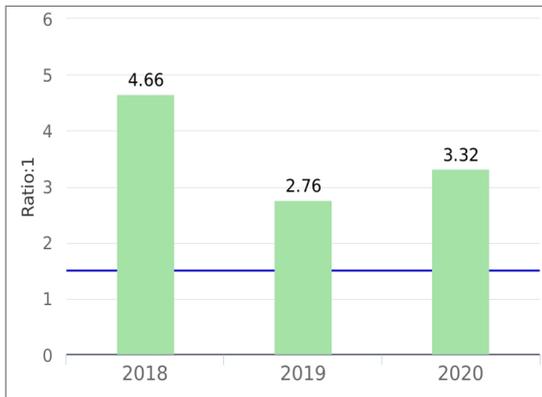
Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



**Purpose of unrestricted current ratio**

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

**Commentary on 2019/20 result**

2019/20 ratio	3.32x
---------------	-------

Council continues to remain above the Industry benchmark of 1.5 in regards to the Unrestricted Current Ratio. Council should have no problems in meeting it's short term obligations as they fall due.

Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

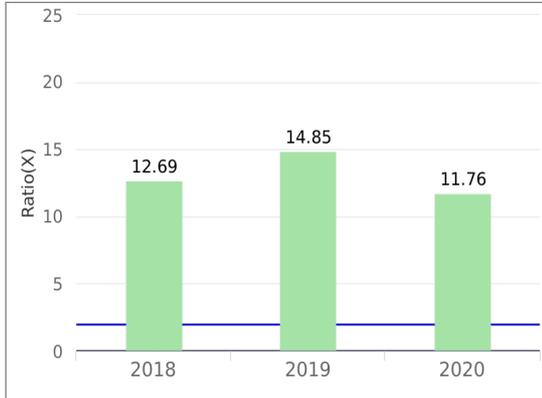
Ratio achieves benchmark

Ratio is outside benchmark

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

Note 27(c). Statement of performance measures – consolidated results (graphs)

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2019/20 result

2019/20 ratio 11.76x

The result has been effected by the reduced operating result for the year. Council has not taken out any additional loan funds during the year. Council has projected to continue above the Local Government Benchmark of 2%. Council maintains a strong position to borrow in the future in line with the Long Term Financial Plan.

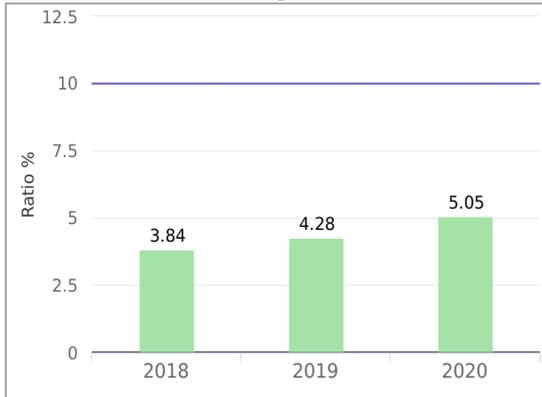
Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates, annual charges, interest and extra charges outstanding percentage



Purpose of rates, annual charges, interest and extra charges outstanding

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

Commentary on 2019/20 result

2019/20 ratio 5.05%

Council has maintained a strong Rates and Annual Charges outstanding ration again this year. The ratio is well under the Local Government Benchmark of 10% for rural councils. This reflect the strong push by the rating staff in the collection of outstanding debts over the years. In April 2020 Council put a hold on collection of outstanding rates and annual charges due to the uncertainty surrounding the COVID virus and flow on effects to the ratepayers. As a result we have seen an increase from the previous financial year.

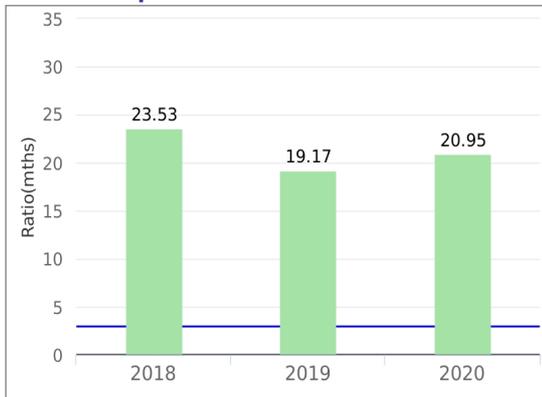
Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2019/20 result

2019/20 ratio 20.95 mths

Councils Cash Expense Ratio is well above the benchmark of 3 months. This is reflected in Council investing in safe and liquid term deposits. Council's investment increased by \$4.587 million to \$61,687 during 2019/20.

Benchmark: — > 3.00mths

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

Ratio achieves benchmark

Ratio is outside benchmark

## Notes to the Financial Statements

for the year ended 30 June 2020

### Note 28. Council information and contact details

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**Principal place of business:**

63 Elgin Street  
GUNNEDAH NSW 2380

**Contact details**

**Mailing Address:**

PO Box 63  
GUNNEDAH NSW 2380

**Opening hours:**

Business Hours  
Monday to Friday  
8:30am - 5:00pm

**Telephone:** 02 6740 2100

**Facsimile:** 02 6740 2119

**Internet:** [www.council.nsw.gov.au](http://www.council.nsw.gov.au)

**Email:** [council@infogunnedah.com.au](mailto:council@infogunnedah.com.au)

**Officers**

**General Manager**

E J GROTH

**Responsible Accounting Officer**

D J CONNOR

**Auditors**

Audit Office of New South Wales,  
GPO Box 12,  
SYDNEY NSW 2001

**Elected members**

**Mayor**

J CHAFFEY

**Councillors**

R HOOKE  
G SWAIN  
J CAMPBELL  
C FULLER  
O HASLER  
A LUKE  
D MOSES  
M O'KEEFE

**Other information**

**ABN:** 80 183 655 793



## INDEPENDENT AUDITOR'S REPORT

### Report on the general purpose financial statements

#### Gunnedah Shire Council

To the Councillors of Gunnedah Shire Council

### Opinion

I have audited the accompanying financial statements of Gunnedah Shire Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
  - have been prepared, in all material respects, in accordance with the requirements of this Division
  - are consistent with the Council's accounting records
  - present fairly, in all material respects, the financial position of the Council as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

## Basis for Opinion

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

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

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

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

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

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

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

## Other Information

The Council's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

## The Councillors' Responsibilities for the Financial Statements

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

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

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

My objectives are to:

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

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

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

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

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 21 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Chris Harper  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

28 November 2020  
SYDNEY



Cr Jamie Chaffey  
Mayor  
Gunnedah Shire Council  
PO Box 63  
GUNNEDAH NSW 2380

Contact: Chris Harper  
Phone no: 02 925 7374  
Our ref: D2027206/1735

28 November 2020

Dear Mayor

**Report on the Conduct of the Audit  
for the year ended 30 June 2020  
Gunnedah Shire Council**

I have audited the general purpose financial statements (GPFS) of Gunnedah Shire Council (the Council) for the year ended 30 June 2020 as required by section 415 of the *Local Government Act 1993* (the Act).

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

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2020 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

## INCOME STATEMENT

### Operating result

	2020	2019*	Variance
	\$m	\$m	%
Rates and annual charges revenue	18.8	18.2	↑ 3.3
Grants and contributions revenue	24.2	16.7	↑ 44.9

Operating result from continuing operations	13.4	12.9	3.9
Net operating result before capital grants and contributions	1.9	7.7	75.3

The Council's operating result from continuing operations (\$13.4 million including depreciation and amortisation expense of \$10.4 million) was \$492,000 higher than the 2018–19 result. The major reasons for the increase, include increased:

- user charges and fees (\$3.3 million) due to Council conducting major roadworks for RMS
- grants and contributions revenue (\$7.5 million) due mainly from grants for road and bridge works, including Bloomfield Street in Gunnedah.

These increases were offset by:

- decreased other revenue (\$2.3 million) due to an adjustment to landfill rehabilitation provision that occurred in the prior year
- increased losses on disposal of assets (\$2.2 million) mainly due to additional scrapping of infrastructure assets replaced during the year
- increased employee benefits and on-costs (\$1.7 million) due to additional employees, award increases and overtime on maintenance and asset capital works
- increased materials and contracts costs (\$4.1 million) due to additional infrastructure maintenance works.

The net operating result before capital grants and contributions (\$1.9 million) was \$5.8 million lower than the 2018–19 result. This is mainly due to the net decrease arising from factors above (excluding grants and contributions).

Rates and annual charges revenue (\$18.8 million) increased by \$592,000 (3.3 per cent) in 2019–20 mainly due to the normal rate peg allowance increases in the year.

Grants and contributions revenue (\$24.2 million) increased by \$7.5 million (44.9 per cent) in 2019–20 due mainly from grants for road and bridge works.

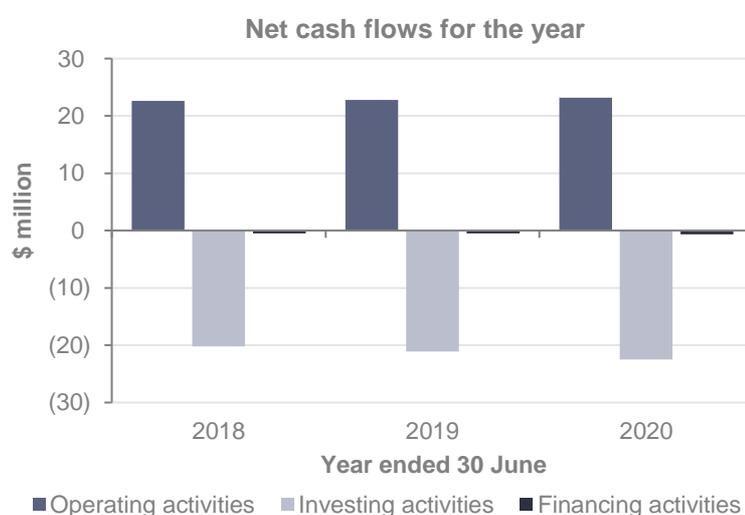
## STATEMENT OF CASH FLOWS

Cash inflows from operations remained stable compared to 2018–19.

Cash outflows from investing increased by \$1.5 million due to

- higher proceeds from sale of infrastructure assets
- lower infrastructure spending in 2019–20
- a net increase in investments in 2019–20 compared to a net return of funds from investments in 2018–19.

Cash outflows from financing activities (relating to the repayment of debt) remained similar to the prior year.



## FINANCIAL POSITION

### Cash and investments

Cash and investments	2020	2019	Commentary
	\$m	\$m	
External restrictions	41.6	37.6	• Major external restrictions include water, sewer, developer contributions, domestic waste management as well as grants for specific purposes, which all increased in 2019-20.
Internal restrictions	18.9	14.1	
Unrestricted	1.2	5.4	
<b>Cash and investments</b>	<b>61.7</b>	<b>57.1</b>	• The main increase related to Council reserves for the financial assistance grant, partially offset by a net reduction in infrastructure renewal reserves.

## PERFORMANCE

### Performance measures

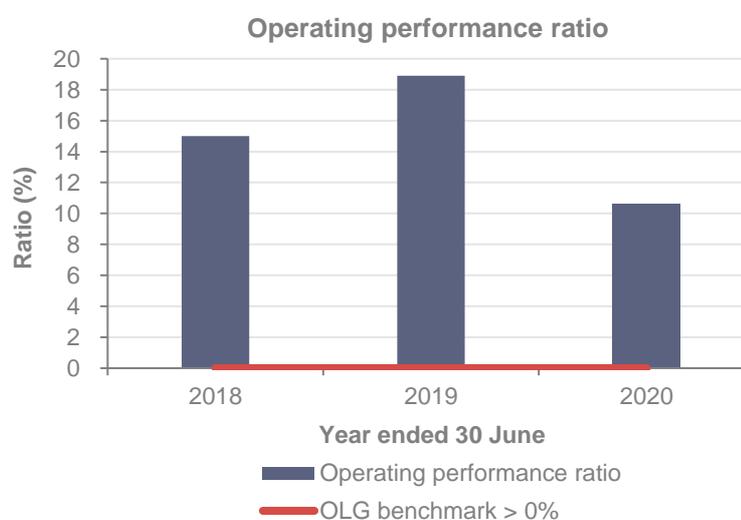
The following section provides an overview of the Council's performance against the performance measures and performance benchmarks set by the Office of Local Government (OLG) within the Department of Planning, Industry and Environment.

#### Operating performance ratio

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

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

The decrease in the 2019–20 operating performance ratio arose due to a lower net operating result. This was caused by increases in operating expenses and a reduction in overall income, excluding capital grants, compared to 2018–19.

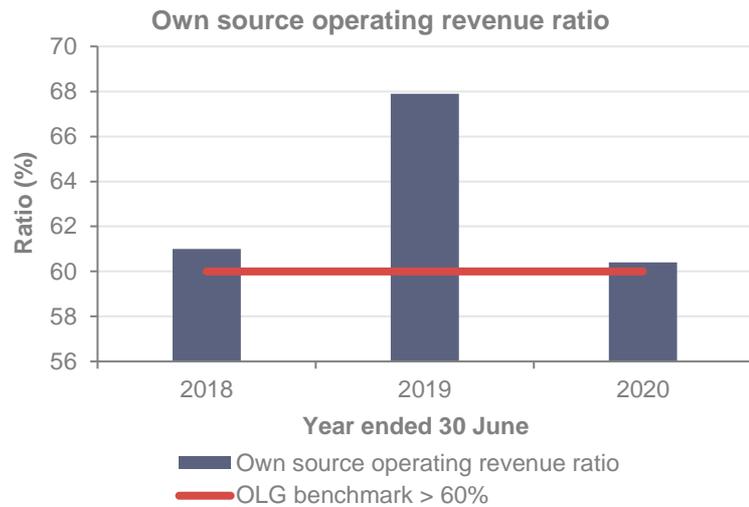


### Own source operating revenue ratio

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

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

The own source revenue ratio decreased compared to the 2018-19 year due to increases in grants and contributions in the current year.

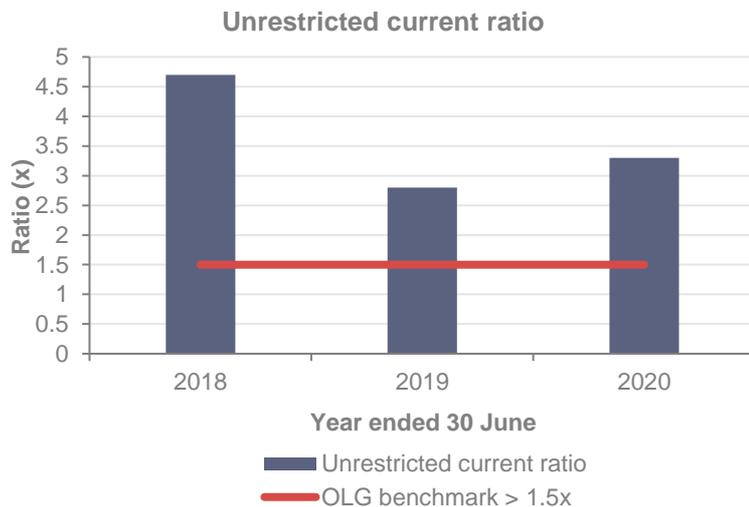


### Unrestricted current ratio

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

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

The unrestricted ratio is similar to the 2018-19 year.

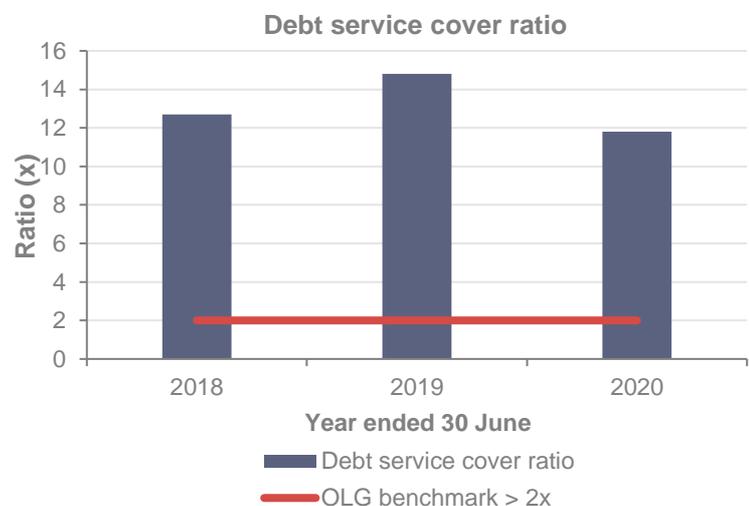


### Debt service cover ratio

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

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

The reduction in the debt service cover ratio was due to the lower operating result, excluding capital grants.

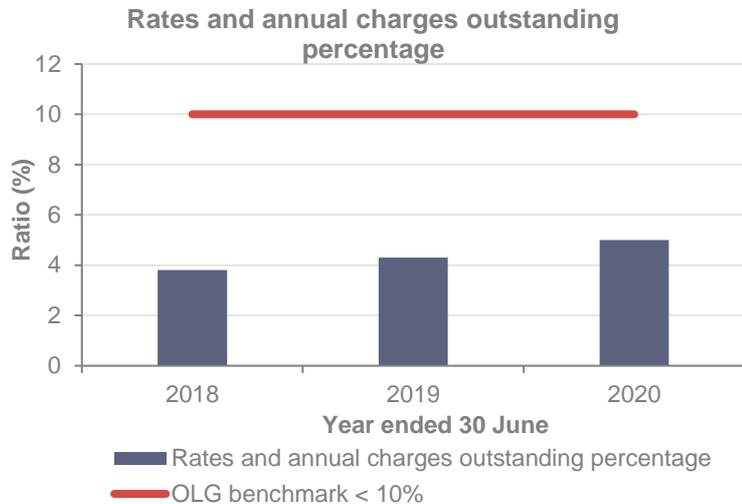


### Rates and annual charges outstanding percentage

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

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

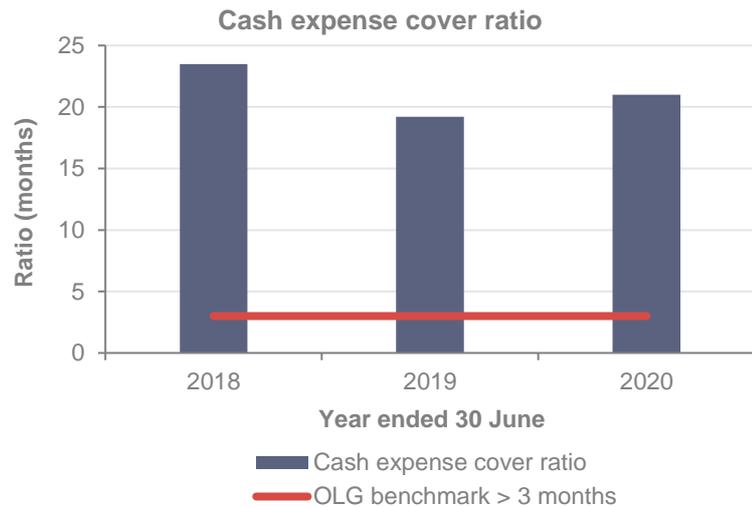
The rates and annual charges ratio increased in 2019-20 due to economic hardship factors in the region, including drought and COVID-19.



### Cash expense cover ratio

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

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



### Infrastructure, property, plant and equipment renewals

Infrastructure, Property, Plant and Equipment (IPPE) renewal expenditure was \$14.4 million. This decreased by \$4.8 million compared to 2018–19 due to lower renewal works in accordance with its infrastructure management plans. Renewal expenditure was above depreciation for the year by \$4.0 million.

## OTHER MATTERS

### Impact of new accounting standards

#### AASB 15 'Revenue from Contracts with Customers' and AASB 1058 'Income for Not-for-Profit Entities'

The Council adopted the new accounting standards AASB 15 'Contracts with Customers' and AASB 1058 'Income of Not-for-Profit Entities' (collectively referred to as the Revenue Standards) for the first time in their 2019–20 financial statements.

AASB 15 introduces a new approach to recognising revenue based on the principle that revenue is recognised when control of a good or service transfers to a customer. AASB 15 impacts the timing and amount of revenue recorded in a councils' financial statements, particularly for grant revenue. AASB 15 also increases the amount of disclosures required.

AASB 1058 prescribes how not-for-profit entities account for transactions conducted on non-commercial terms and the receipt of volunteer services. AASB 1058 significantly impacts the timing and amount of income recorded in a councils' financial statements, particularly for grant income and rates which are paid before the commencement of the rating period.

The Council recognised a \$2.1 million adjustment to opening accumulated surplus at 1 July 2019 on adoption of the new Revenue Standards, being recognition of contract liabilities.

The Council disclosed the impact of adopting the new Revenue Standards in Note 15.

### **AASB 16 'Leases'**

The Council adopted the new accounting standard AASB 16 'Leases' for the first time in their 2019–20 financial statements.

AASB 16 changes the way lessees treat operating leases for financial reporting. With a few exceptions, operating leases will now be recorded in the Statement of Financial Position as a right-of-use asset, with a corresponding lease liability.

AASB 16 results in lessees recording more assets and liabilities in the Statement of Financial Position and changes the timing and pattern of expenses recorded in the Income Statement.

The Council recognised right-of-use assets of \$86,000 and lease liabilities of \$86,000 at 1 July 2019 on adoption of AASB 16.

The Council disclosed the impact of adopting AASB 16 in Note 15.

### **Legislative compliance**

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

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



Chris Harper  
Director, Financial Audit  
Delegate of the Auditor-General for New South Wales

cc: Mr Eric Groth, General Manager  
Mr Grahame Marchant, Chair of the Audit, Risk and Improvement Committee  
Mr Damien Connor, Chief Financial Officer  
Mr Jim Betts, Secretary of the Department of Planning, Industry and Environment



# Gunnedah Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2020

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“To be a focused community valuing  
Gunnedah’s identity and quality lifestyle”.



# Special Purpose Financial Statements

for the year ended 30 June 2020

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## Background

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

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

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

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

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

## Gunnedah Shire Council

### Special Purpose Financial Statements

for the year ended 30 June 2020

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#### 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 August 2020.



**J CHAFFEY**  
Mayor  
18 November 2020

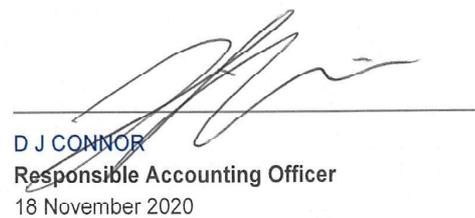


**E J GROTH**  
General Manager  
18 November 2020

**Cr Rob Hooke**

Digitally signed by Cr Rob Hooke  
DN: cn=Cr Rob Hooke,  
o=Gunnedah Shire Council, ou,  
email=robhooke@info.gunnedah.co  
m.au, c=AU  
Date: 2020.11.10 16:38:31 +11'00'

**R HOOKE**  
Councillor  
18 November 2020



**D J CONNOR**  
Responsible Accounting Officer  
18 November 2020

## Income Statement – Water Supply Business Activity

for the year ended 30 June 2020

\$ '000	2020	2019
<b>Income from continuing operations</b>		
Access charges	978	940
User charges	3,914	4,066
Interest	259	425
Grants and contributions provided for non-capital purposes	69	64
Other income	157	49
<b>Total income from continuing operations</b>	<b>5,377</b>	<b>5,544</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	809	813
Materials and contracts	788	670
Depreciation, amortisation and impairment	917	974
Loss on sale of assets	1,611	935
Other expenses	968	1,093
<b>Total expenses from continuing operations</b>	<b>5,093</b>	<b>4,485</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>284</b>	<b>1,059</b>
Grants and contributions provided for capital purposes	1,060	2,388
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>1,344</b>	<b>3,447</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>1,344</b>	<b>3,447</b>
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(78)	(291)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>1,266</b>	<b>3,156</b>
<b>Plus accumulated surplus</b>	<b>39,076</b>	<b>35,629</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	78	291
<b>Closing accumulated surplus</b>	<b>40,420</b>	<b>39,076</b>
<b>Return on capital %</b>	<b>0.6%</b>	<b>2.2%</b>
<b>Subsidy from Council</b>	<b>137</b>	<b>–</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	1,266	3,156
Less: capital grants and contributions (excluding developer contributions)	(1,060)	(2,388)
<b>Surplus for dividend calculation purposes</b>	<b>206</b>	<b>768</b>
<b>Potential dividend calculated from surplus</b>	<b>103</b>	<b>384</b>

## Income Statement – Sewerage Business Activity

for the year ended 30 June 2020

\$ '000	2020	2019
<b>Income from continuing operations</b>		
Access charges	2,145	2,048
User charges	865	890
Interest	204	223
Grants and contributions provided for non-capital purposes	34	35
Other income	11	–
<b>Total income from continuing operations</b>	<b>3,259</b>	<b>3,196</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	367	390
Materials and contracts	291	330
Depreciation, amortisation and impairment	885	948
Loss on sale of assets	147	–
Other expenses	506	612
<b>Total expenses from continuing operations</b>	<b>2,196</b>	<b>2,280</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>1,063</b>	<b>916</b>
Grants and contributions provided for capital purposes	57	506
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>1,120</b>	<b>1,422</b>
<b>Surplus (deficit) from all operations before tax</b>	<b>1,120</b>	<b>1,422</b>
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(292)	(252)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>828</b>	<b>1,170</b>
<b>Plus accumulated surplus</b>	<b>20,260</b>	<b>18,838</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Corporate taxation equivalent	292	252
<b>Closing accumulated surplus</b>	<b>21,380</b>	<b>20,260</b>
<b>Return on capital %</b>	<b>2.9%</b>	<b>2.5%</b>
<b>Subsidy from Council</b>	<b>–</b>	<b>–</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	828	1,170
Less: capital grants and contributions (excluding developer contributions)	(57)	(506)
<b>Surplus for dividend calculation purposes</b>	<b>771</b>	<b>664</b>
<b>Potential dividend calculated from surplus</b>	<b>385</b>	<b>332</b>

## Statement of Financial Position – Water Supply Business Activity

as at 30 June 2020

\$ '000	2020	2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	456	183
Investments	12,608	10,350
Receivables	492	781
Inventories	98	101
<b>Total current assets</b>	<b>13,654</b>	<b>11,415</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	47,895	48,358
<b>Total non-current assets</b>	<b>47,895</b>	<b>48,358</b>
<b>TOTAL ASSETS</b>	<b>61,549</b>	<b>59,773</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Payables	130	54
Provisions	3	10
<b>Total current liabilities</b>	<b>133</b>	<b>64</b>
<b>TOTAL LIABILITIES</b>	<b>133</b>	<b>64</b>
<b>NET ASSETS</b>	<b>61,416</b>	<b>59,709</b>
<b>EQUITY</b>		
Accumulated surplus	40,420	39,076
Revaluation reserves	20,996	20,633
<b>TOTAL EQUITY</b>	<b>61,416</b>	<b>59,709</b>

## Statement of Financial Position – Sewerage Business Activity

as at 30 June 2020

\$ '000	2020	2019
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	72	85
Investments	10,839	9,363
Receivables	210	239
Inventories	–	1
<b>Total current assets</b>	<b>11,121</b>	<b>9,688</b>
<b>Non-current assets</b>		
Infrastructure, property, plant and equipment	36,289	36,279
<b>Total non-current assets</b>	<b>36,289</b>	<b>36,279</b>
<b>TOTAL ASSETS</b>	<b>47,410</b>	<b>45,967</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Provisions	–	1
<b>Total current liabilities</b>	<b>–</b>	<b>1</b>
<b>TOTAL LIABILITIES</b>	<b>–</b>	<b>1</b>
<b>NET ASSETS</b>	<b>47,410</b>	<b>45,966</b>
<b>EQUITY</b>		
Accumulated surplus	21,380	20,260
Revaluation reserves	26,030	25,706
<b>TOTAL EQUITY</b>	<b>47,410</b>	<b>45,966</b>

## Notes to the Special Purpose Financial Statements

for the year ended 30 June 2020

### Note 1. Significant Accounting Policies

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A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

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

The figures presented in these Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the Local Government Act 2093 (NSW), the *Local Government (General) Regulation 2005*, and the Local Government Code of Accounting Practice and Financial Reporting.

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

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

#### National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The *Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

#### Declared business activities

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

##### Category 1

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

##### a. Water Supply Service

Comprising the whole of the water supply operations and net assets servicing the towns of Gunnedah, Curlewis, Mullaley & Tambar Springs.

##### b. Sewerage Service

Comprising the whole of the sewerage reticulation and treatment operations and net assets system servicing the towns of Gunnedah & Curlewis.

##### Category 2

(where gross operating turnover is less than \$2 million)

Nil

## Notes to the Special Purpose Financial Statements

for the year ended 30 June 2020

### Note 1. Significant Accounting Policies (continued)

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#### Monetary amounts

Amounts shown in the financial statements are in Australian dollars and rounded to the nearest one thousand dollars.

#### (i) Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

#### Notional rate applied (%)

Corporate income tax rate – 27.5%

Land tax – the first \$692,000 of combined land values attracts 0%. For the combined land values in excess of \$692,001 up to \$4,231,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$4,231,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$850,000.

In accordance with the Department of Industry (DoI) – Water guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the DoI – Water guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

Achievement of substantial compliance to the DoI – Water guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

#### Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 27.5%.

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

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

The rate applied of 27.5% is/is not the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

#### Local government rates and charges

A calculation of the equivalent rates and charges payable on all category 1 businesses has been applied to all land assets owned or exclusively used by the business activity.

## Notes to the Special Purpose Financial Statements for the year ended 30 June 2020

### Note 1. Significant Accounting Policies (continued)

#### Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that council business activities face 'true' commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

#### (ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

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

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

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return is calculated as follows:

**Operating result before capital income + interest expense**

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 0.88% at 30/6/20.

#### (iv) Dividends

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

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

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

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2020 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

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



## INDEPENDENT AUDITOR'S REPORT

### Report on the special purpose financial statements

#### Gunnedah Shire Council

To the Councillors of Gunnedah Shire Council

### Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Gunnedah Shire Council's (the Council) Declared Business Activities, which comprise the Statement by Councillors and Management, the Income Statement of each Declared Business Activity for the year ended 30 June 2020, the Statement of Financial Position of each Declared Business Activity as at 30 June 2020 and Note 1 Significant accounting policies for the Business Activities declared by Council.

The Declared Business Activities of the Council are:

- Water Supply
- Sewerage.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2020, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting – update number 28 (LG Code).

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

### Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

### Other Information

The Council's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

I have nothing to report in this regard.

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

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in Note 1 to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

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

My objectives are to:

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

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

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

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

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



Chris Harper  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

28 November 2020  
SYDNEY



# Gunnedah Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2020

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“To be a focused community valuing  
Gunnedah’s identity and quality lifestyle”.



**Special Schedules**

for the year ended 30 June 2020

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## Permissible income for general rates

\$ '000	Notes	Calculation 2020/21	Calculation 2019/20
<b>Notional general income calculation <sup>1</sup></b>			
Last year notional general income yield	a	13,279	12,879
Plus or minus adjustments <sup>2</sup>	b	(9)	51
<b>Notional general income</b>	c = a + b	<b>13,270</b>	<b>12,930</b>
<b>Permissible income calculation</b>			
Or rate peg percentage	e	2.60%	2.70%
Or plus rate peg amount	i = e x (c + g)	345	349
<b>Sub-total</b>	k = (c + g + h + i + j)	<b>13,615</b>	<b>13,279</b>
Plus (or minus) last year's carry forward total	l	3	3
<b>Sub-total</b>	n = (l + m)	<b>3</b>	<b>3</b>
<b>Total permissible income</b>	o = k + n	<b>13,618</b>	<b>13,282</b>
Less notional general income yield	p	13,618	13,279
<b>Catch-up or (excess) result</b>	q = o - p	<b>-</b>	<b>3</b>
<b>Carry forward to next year <sup>6</sup></b>	t = q + r + s	<b>-</b>	<b>3</b>

**Notes**

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

To the Councillors of Gunnedah Shire Council

### **Opinion**

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Gunnedah Shire Council (the Council) for the year ending 30 June 2021.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting – update number 28 (LG Code), and is in accordance with the books and records of the Council.

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

### **Basis for Opinion**

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

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

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

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

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

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

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

## Emphasis of Matter - Basis of Accounting

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

## Other Information

The Council's annual report for the year ended 30 June 2020 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2020'.

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

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

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

I have nothing to report in this regard.

## The Councillors' Responsibilities for the Schedule

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

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

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

My objectives are to:

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

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

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

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

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

A handwritten signature in black ink, appearing to read 'CHarper', with a long horizontal stroke extending to the right.

Chris Harper  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

28 November 2020  
SYDNEY

## Report on Infrastructure Assets

as at 30 June 2020

Asset Class	Asset Category	Estimated cost		2019/20 Required maintenance <sup>a</sup> \$ '000	2019/20 Actual maintenance \$ '000	Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard \$ '000	to bring to the agreed level of service set by Council \$ '000					1	2	3	4	5
<b>(a) Report on Infrastructure Assets - Values</b>												
<b>Buildings</b>	Buildings	26	26	463	211	32,410	52,297	18.9%	48.4%	32.0%	0.7%	0.1%
	<b>Sub-total</b>	<b>26</b>	<b>26</b>	<b>463</b>	<b>211</b>	<b>32,410</b>	<b>52,297</b>	<b>18.9%</b>	<b>48.4%</b>	<b>32.0%</b>	<b>0.7%</b>	<b>0.1%</b>
<b>Other structures</b>	Other structures	–	–	273	246	3,845	6,501	28.9%	60.5%	1.9%	8.8%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>273</b>	<b>246</b>	<b>3,845</b>	<b>6,501</b>	<b>28.9%</b>	<b>60.5%</b>	<b>1.9%</b>	<b>8.8%</b>	<b>0.0%</b>
<b>Roads</b>	Urban Roads	–	–	669	531	42,147	53,547	54.7%	21.1%	24.0%	0.2%	0.0%
	Rural Sealed Roads	–	–	953	808	64,594	76,238	67.7%	16.1%	15.7%	0.5%	0.0%
	Rural Unsealed Roads	–	–	1,163	2,176	80,733	93,023	66.3%	8.7%	24.6%	0.4%	0.0%
	Bridges / Culverts	678	678	357	4	27,320	42,341	43.3%	39.4%	7.6%	9.7%	0.0%
	Footpaths	–	–	114	48	7,087	9,113	63.7%	27.0%	8.9%	0.4%	0.0%
	Other road assets	–	–	16	5	3,508	4,451	43.8%	53.6%	2.6%	0.0%	0.0%
	<b>Sub-total</b>	<b>678</b>	<b>678</b>	<b>3,272</b>	<b>3,572</b>	<b>225,389</b>	<b>278,713</b>	<b>60.5%</b>	<b>19.1%</b>	<b>18.6%</b>	<b>1.8%</b>	<b>0.0%</b>
<b>Water supply network</b>	Water supply network	1,869	1,869	718	1,065	45,179	72,460	36.4%	39.9%	12.1%	10.6%	1.0%
	<b>Sub-total</b>	<b>1,869</b>	<b>1,869</b>	<b>718</b>	<b>1,065</b>	<b>45,179</b>	<b>72,460</b>	<b>36.4%</b>	<b>39.9%</b>	<b>12.1%</b>	<b>10.6%</b>	<b>1.0%</b>
<b>Sewerage network</b>	Sewerage network	–	–	786	461	34,778	63,438	31.3%	32.4%	7.0%	29.3%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>786</b>	<b>461</b>	<b>34,778</b>	<b>63,438</b>	<b>31.3%</b>	<b>32.4%</b>	<b>7.0%</b>	<b>29.3%</b>	<b>0.0%</b>
<b>Stormwater drainage</b>	Stormwater drainage	–	–	350	68	25,017	35,019	46.4%	25.2%	28.4%	0.0%	0.0%
	Kerb & Gutter	–	–	354	6	13,679	28,343	23.4%	68.6%	7.0%	1.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>704</b>	<b>74</b>	<b>38,696</b>	<b>63,362</b>	<b>36.1%</b>	<b>44.6%</b>	<b>18.8%</b>	<b>0.4%</b>	<b>0.0%</b>

## Report on Infrastructure Assets (continued)

as at 30 June 2020

Asset Class	Asset Category	Estimated cost		2019/20 Required maintenance <sup>a</sup>	2019/20 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000					
Open space / recreational assets	Swimming pools	–	–	155	56	9,280	10,394	73.9%	14.8%	0.0%	11.3%	0.0%
	Other Recreational Assets	566	566	94	850	4,761	7,828	43.0%	11.4%	37.8%	0.4%	7.4%
	<b>Sub-total</b>	<b>566</b>	<b>566</b>	<b>249</b>	<b>906</b>	<b>14,041</b>	<b>18,222</b>	<b>60.6%</b>	<b>13.3%</b>	<b>16.2%</b>	<b>6.6%</b>	<b>3.2%</b>
Other infrastructure assets	Aerodrome	–	–	138	–	1,986	6,971	31.7%	0.4%	67.7%	0.2%	0.0%
	Car Parking	–	–	29	11	597	1,349	6.2%	91.7%	2.1%	0.0%	0.0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>167</b>	<b>11</b>	<b>2,583</b>	<b>8,320</b>	<b>27.6%</b>	<b>15.2%</b>	<b>57.1%</b>	<b>0.2%</b>	<b>0.0%</b>
<b>TOTAL - ALL ASSETS</b>		<b>3,139</b>	<b>3,139</b>	<b>6,632</b>	<b>6,546</b>	<b>396,921</b>	<b>563,313</b>	<b>46.7%</b>	<b>29.1%</b>	<b>18.0%</b>	<b>6.0%</b>	<b>0.2%</b>

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

## Infrastructure asset condition assessment 'key'

1	<b>Excellent/very good</b>	No work required (normal maintenance)
2	<b>Good</b>	Only minor maintenance work required
3	<b>Satisfactory</b>	Maintenance work required
4	<b>Poor</b>	Renewal required
5	<b>Very poor</b>	Urgent renewal/upgrading required

## Report on Infrastructure Assets (continued)

as at 30 June 2020

\$ '000	Amounts	Indicator	Prior periods		Benchmark
	2020	2020	2019	2018	
<b>Infrastructure asset performance indicators (consolidated) *</b>					
<b>Buildings and infrastructure renewals ratio <sup>1</sup></b>					
Asset renewals <sup>2</sup>	<b>4,873</b>	<b>63.58%</b>	164.95%	184.41%	>=100.00%
Depreciation, amortisation and impairment	<b>7,664</b>				
<b>Infrastructure backlog ratio <sup>1</sup></b>					
Estimated cost to bring assets to a satisfactory standard	<b>3,139</b>	<b>0.79%</b>	1.67%	1.71%	<2.00%
Net carrying amount of infrastructure assets	<b>396,921</b>				
<b>Asset maintenance ratio</b>					
Actual asset maintenance	<b>6,546</b>	<b>98.70%</b>	107.94%	111.96%	>100.00%
Required asset maintenance	<b>6,632</b>				
<b>Cost to bring assets to agreed service level</b>					
Estimated cost to bring assets to an agreed service level set by Council	<b>3,139</b>	<b>0.56%</b>	1.19%	1.24%	
Gross replacement cost	<b>563,313</b>				

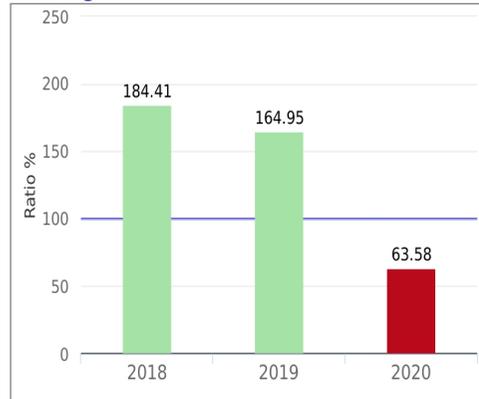
(\*) All asset performance indicators are calculated using classes identified in the previous table.

(1) Excludes Work In Progress (WIP)

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

Report on Infrastructure Assets (continued)  
as at 30 June 2020

**Buildings and infrastructure renewals ratio**



**Buildings and infrastructure renewals ratio**

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

**Commentary on result**

19/20 ratio 63.58%

Council's long term objective is to match spending on infrastructure renewals with their systematic deterioration. This requires the renewal ratio to approach 100% over the long term. This year Council was under the 100% benchmark due to less spending on renewals but still maintains achieving 100% over the long term.

Benchmark: —  $\geq 100.00\%$  ■ Ratio achieves benchmark  
 Source of benchmark: Code of Accounting Practice and Financial Reporting #28 ■ Ratio is outside benchmark

**Asset maintenance ratio**



**Asset maintenance ratio**

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

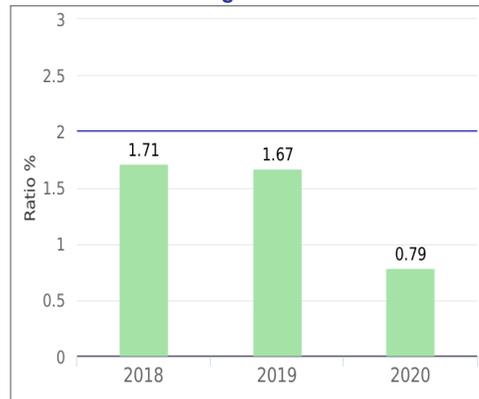
**Commentary on result**

19/20 ratio 98.70%

This ratio reflects Councils commitment to maintaining its current assets and improving where fiscally responsible. This years result reflects the catch up that has occurred in the infrastructure backlog.

Benchmark: —  $> 100.00\%$  ■ Ratio achieves benchmark  
 Source of benchmark: Code of Accounting Practice and Financial Reporting #28 ■ Ratio is outside benchmark

**Infrastructure backlog ratio**



**Infrastructure backlog ratio**

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

**Commentary on result**

19/20 ratio 0.79%

This ratio continues to show a positive trend and puts Council well under the benchmark. The expenditure on renewing assets shows that we have tackled the infrastructure back and "busted the back" of the infrastructure backlog.

Benchmark: —  $< 2.00\%$  ■ Ratio achieves benchmark  
 Source of benchmark: Code of Accounting Practice and Financial Reporting #28 ■ Ratio is outside benchmark

**Cost to bring assets to agreed service level**



**Cost to bring assets to agreed service level**

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

**Commentary on result**

19/20 ratio 0.56%

This ratio shows an improvement as Council continues to maintain assets to agreed service levels. This year reflects the significant amount of work Council has carried out to reduce the backlog to agreed service levels.

## Report on Infrastructure Assets (continued)

as at 30 June 2020

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2020	2019	2020	2019	2020	2019	
<b>Infrastructure asset performance indicators (by fund)</b>							
<b>Buildings and infrastructure renewals ratio <sup>1</sup></b>							
Asset renewals <sup>2</sup>							
Depreciation, amortisation and impairment	<b>75.07%</b>	207.58%	<b>47.60%</b>	65.38%	<b>0.00%</b>	0.00%	>=100.00%
<b>Infrastructure backlog ratio <sup>1</sup></b>							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	<b>0.40%</b>	1.65%	<b>4.14%</b>	2.04%	<b>0.00%</b>	1.44%	<2.00%
<b>Asset maintenance ratio</b>							
Actual asset maintenance							
Required asset maintenance	<b>97.89%</b>	115.45%	<b>148.33%</b>	90.20%	<b>58.65%</b>	77.84%	>100.00%
<b>Cost to bring assets to agreed service level</b>							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	<b>0.30%</b>	1.25%	<b>2.58%</b>	1.22%	<b>0.00%</b>	0.81%	

(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.