



**Edward
River**
COUNCIL

I hereby give notice that an Ordinary Meeting of Council will be held on:

Date: Thursday, 17 December 2020
Time: 9.00am
Location: RFS Building, Macknight Drive,
Deniliquin

BUSINESS PAPER

Ordinary Council Meeting

17 December 2020

**Philip Stone
General Manager**

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1 OPENING MEETING

2 LIVE STREAMING STATEMENT

Edward River Council wishes to advise members of the public that Council Meetings will be recorded and will be available after each meeting on Council's website www.edwardriver.nsw.gov.au.

All care will be taken to maintain the privacy of those in attendance, however As a visitor in the public gallery, your presence may be recorded. By remaining In the public gallery, it is assumed your consent is given in the event your image is broadcast. This includes any filming by television cameras if attendance is approved by the General Manager or Mayor.

3 ACKNOWLEDGEMENT OF COUNTRY

4 STATEMENT OF PURPOSE

5 APOLOGIES AND APPLICATIONS FOR A LEAVE OF ABSENCE BY COUNCILLORS

6 CONFIRMATION OF MINUTES

Ordinary Council Meeting - 19 November 2020



**Edward
River**
COUNCIL

MINUTES

Ordinary Council Meeting

19 November 2020

**MINUTES OF EDWARD RIVER COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE RFS DENILQUIN AIRPORT
ON THURSDAY, 19 NOVEMBER 2020 AT 9.00AM**

PRESENT: Cr Norm Brennan (Mayor), Cr Pat Fogarty (Deputy Mayor), Cr Peta Betts, Cr Marg Bull, Cr Ashley Hall, Cr Norm McAllister, Cr Peter McCrabb, Cr Mac Wallace

IN ATTENDANCE: Oliver McNulty (Director Infrastructure), Amanda Barber (Manager Finance), Mark Dalzell (Manager Engineering & Assets), Marie Sutton (Acting Manager Environmental Services), Tiffany Carroll (Communications Advisor), Belinda Perrett (Executive Assistant)

GALLERY: One

1 OPENING MEETING

2 ACKNOWLEDGEMENT OF COUNTRY

I would like to acknowledge that we are here today on the land of the Wamba Wamba Perrepa Perrepa people. I would also like to acknowledge and pay my respects to past Aboriginal Elders, the present Aboriginal and Torres Strait Islander people who reside within this area, and their future generations.

3 STATEMENT OF PURPOSE

I have come here as a Councillor freely and without bias to:

- Represent the views of the community in considering the matters before us today
- To vote in a matter I consider to be in the best interest of the community
- To observe the Code of Conduct and respect the rule of the chair and views of my fellow Councillors.

4 APOLOGIES AND APPLICATIONS FOR A LEAVE OF ABSENCE BY COUNCILLORS

APOLOGY

RESOLUTION 2020/220

Moved: Cr Norm McAllister

Seconded: Cr Mac Wallace

That the apology received from Cr Metcalfe be accepted and leave of absence granted.

CARRIED

5 CONFIRMATION OF MINUTES

RESOLUTION 2020/221

Moved: Cr Norm McAllister

Seconded: Cr Pat Fogarty

That the minutes of the Ordinary Council Meeting held on 15 October 2020, the Extraordinary Council Meeting held on 22 October 2020, the Extraordinary Council Meeting held on 29 October 2020 (cancelled) and the Extraordinary Council Meeting held on 5 November 2020 be confirmed.

CARRIED

6 DISCLOSURES OF INTERESTS

13.4 - Cr Norm McAllister declared a Non-Pecuniary – Less than significant interest.

7 MAYORAL MINUTE(S)

Mayor Cr Norm Brennan asked that item 10.11 – DA 30/15A – subdivision modification be discussed following item 10.1 - Mayor, Councillors and General Managers Meetings.

8 REPORTS OF COMMITTEES

9.1 MINUTES OF THE AUDIT RISK AND IMPROVEMENT COMMITTEE MEETING HELD ON 30 OCTOBER 2020

RESOLUTION 2020/222

Moved: Cr Norm McAllister

Seconded: Cr Marg Bull

That Council receive and note the Minutes of the Audit Risk and Improvement Committee Meeting held on 30 October 2020, contained at Attachment 1.

CARRIED

9 REPORTS TO COUNCIL

10.1 MAYOR, COUNCILLORS AND GENERAL MANAGER MEETINGS

RESOLUTION 2020/223

Moved: Cr Peta Betts

Seconded: Cr Pat Fogarty

That Council note the Mayor, Councillors and General Manager meetings attended during the month of October 2020, undertaken either remotely, or adhering to COVID-19 distancing regulations.

CARRIED

10.11 DA 30/15A - SUBDIVISION MODIFICATION

RESOLUTION 2020/224

Moved: Cr Ashley Hall

Seconded: Cr Pat Fogarty

That Council resolves to: -

1. **APPROVE** the development consent modification DA30/15A for a 9 lot subdivision on Lot 9 DP790826, 201-209 Hetherington Street, Deniliquin as shown on plan titled *Plan of Proposed Subdivision of Lot 9 DP790826* and described in details accompanying the Development Application, in accordance with section 4.16 and 4.55 of the Environmental Planning and Assessment Act 1979 and subject to the following reasons:
 - (a) *The proposal is consistent with the zone and desired future character of the area.*
 - (b) *The proposal is appropriate on the site given the existing character of the area.*
 - (c) *Council considered the concerns raised in the submission and considers that the issues have been adequately addressed in the assessment of the proposal and do not justify refusal of the application.*
2. Impose conditions as per attachment 5.

CARRIED

In Favour: Crs Norm Brennan, Pat Fogarty, Peta Betts, Marg Bull, Ashley Hall, Norm McAllister, Peter McCrabb and Mac Wallace

Against: Nil

CARRIED 8/0

9.18am Member of the Gallery left the Chambers

10.2 RESOLUTIONS OF COUNCIL

RESOLUTION 2020/225

Moved: Cr Mac Wallace

Seconded: Cr Pat Fogarty

That Council note the information in the Resolutions of Council as at 10 November 2020.

CARRIED

10.3 ANNUAL REPORT 19/20

RESOLUTION 2020/226

Moved: Cr Pat Fogarty

Seconded: Cr Marg Bull

That Council:

1. Adopt the Edward River Council's 2019-20 Annual Report; and
2. Note that the Annual Report will be submitted to the NSW Minister for Local Government by 31 December 2020

CARRIED

10.4 COMBINED DELIVERY PROGRAM 2018-2021 AND OPERATIONAL PLAN 2020-2021 ANNUAL PROGRESS REPORT

RESOLUTION 2020/227

Moved: Cr Mac Wallace

Seconded: Cr Peta Betts

That Council:

1. Receive and note the Combined Delivery Program 2018-2021 and Operational Plan 2020-2021 Annual Progress Report, contained at Attachment 1.

CARRIED

10.5 INVESTMENT REPORT OCTOBER 2020

RESOLUTION 2020/228

Moved: Cr Peter McCrabb

Seconded: Cr Pat Fogarty

That Council:

1. Note and receive the October report on Investments totalling \$43,067,705 inclusive of cash at bank for day-to-day operations;
2. Note that actual interest received for the month of October 2020 was \$23,350;
3. Note that accrued interest earned to 31 October 2020 but not yet received was \$117,244;
4. Note the Certificate of the Responsible Accounting Officer and adopt the Investment Report.

CARRIED

10.6 DRAFT FINANCIAL STATEMENTS 2019-20

RESOLUTION 2020/229

Moved: Cr Norm McAllister

Seconded: Cr Marg Bull

That Council

1. Adopt the Draft Financial Statements 2019-20 incorporating the General Purpose Financial Statements, Special Purpose Financial Statements and Special Schedules
2. Approve the signing of the "Statement by Councillors and Management" in accordance with Section 413(2)(c) of the Local Government Act 1993 and Clause 215 of the Local Government (General) Regulation 2005 in relation to the Financial Statements 2019-20.
3. Delegate to the General Manager the authority to submit the Financial Statements to the Office of Local Government and the Australian Bureau of Statistics.
4. Exhibit the Financial Statements and Auditor's Reports and call for public submissions on those documents with submissions closing on 24 December 2020 in accordance with Section 420 of the Local Government Act 1993.
5. Note that the Audited Financial Statements and Auditor's Reports will be presented to the public at the Ordinary Meeting of Council scheduled for 17 December 2020 in accordance with Section 418(1) of the Local Government Act 1993.

CARRIED

9.25am Helen Flisher (Manager People & Customer Service) entered the Chambers.

10.7 QUARTERLY BUDGET REVIEW STATEMENT - SEPTEMBER 2020

RESOLUTION 2020/230

Moved: Cr Peter McCrabb

Seconded: Cr Ashley Hall

That Council

- 1) Receive the 30 September 2020 financial review of the 2020/21 Operational Plan as adopted at the Council Meeting on June 2020
- 2) Approve the budget variations as detailed in this report. If all these variations are approved Council will have a surplus of \$12,291,000, and after removing Capital Grants a *deficit* of \$576,000.

CARRIED

10.8 WHS QUARTERLY REPORT

RESOLUTION 2020/231

Moved: Cr Peter McCrabb

Seconded: Cr Marg Bull

That the quarterly WHS report be received.

CARRIED

8.29am Amanda Barber (Manager Finance) left the Chambers

10.9 CHRISTMAS CLOSURE

RESOLUTION 2020/232

Moved: Cr Peter McCrabb

Seconded: Cr Mac Wallace

That Council

1. Note the following Council Christmas business closures:
 - a) **Council's Customer Service Centre**
Closed from 4 pm Wednesday 23rd December 2020, resuming 10am Monday 4th Jan 2021;
 - b) **Deniliquin Library**
Closed from 4 pm Wednesday 23rd December 2020, resuming 10am Monday 4th Jan 2021;
 - c) **Council's Works Depot**
Closed from 5 pm Wednesday 23rd December 2020, resuming 7.30am Monday 4th Jan 2021;
 - d) **Deniliquin Visitor Information Centre & Peppin Heritage Centre**
Closed on Friday, 25 December, Saturday 26th December 2020 and Friday, 1 January 2021, and maintaining standard operating hours on all other days throughout the Christmas period; and
 - e) **Deniliquin Waste Disposal Depot**
Closed on Friday, 25 December 2020 and Friday, 1 January 2021 and maintaining standard operating hours on all other days throughout the Christmas period.
2. Note that Council's **kerbside waste collection** service will not operate on 25 December 2020 and 1 January 2021, both of which fall on a Friday. As there is not normally a collection on Fridays this will not affect residential garbage collections.

CARRIED

9.38am Helen Flisher (Manager People & Customer Service) left the Chambers

10.10 EDWARD RIVER COUNCIL SCHOOL PRESENTATIONS

RESOLUTION 2020/233

Moved: Cr Peta Betts

Seconded: Cr Marg Bull

That Councillors acknowledge the donations made to schools within the Edward River Council area for the 2020 Presentation Evenings/Days.

CARRIED

10.12 ENVIRONMENTAL SERVICES REPORT (OCTOBER 2020)

RESOLUTION 2020/234

Moved: Cr Mac Wallace

Seconded: Cr Peta Betts

That Council note the Environmental Services Report for October 2020

CARRIED

9.41am Marie Sutton (Acting Manager Environmental Services) left the Chambers

10.13 DENILIKUIN SALEYARDS STRATEGY

RESOLUTION 2020/235

Moved: Cr Peter McCrabb

Seconded: Cr Mac Wallace

That Council

1. Endorse Option 4 to divest and close the cattle yards;
2. Re-invest into the sheep yards and ancillary facilities;
3. Inform Urban Enterprises to complete a draft Saleyards Strategy.
4. Note that the Draft Saleyards Strategy will be brought to Council in February 2021 for consideration.

CARRIED

10.14 328 CONROY STREET

RESOLUTION 2020/236

Moved: Cr Peter McCrabb

Seconded: Cr Norm McAllister

That Council:

1. Enter into an agreement with the property owners of 328 Conroy Street to close the section of the Conroy Street road reserve currently fenced into 328 Conroy Street, subject to the property owners agreeing to pay all costs relating to this matter, and;
2. Commence the road closure process in accordance with the requirements of the *Roads Act 1993* for the portion of Conroy Street that is currently fenced into 328 Conroy Street, subject to the property owners entering into an agreement with Council regarding this matter.

CARRIED

10.15 MAJOR PROJECTS PROGRAM - NOVEMBER 2020 PROGRESS REPORT

RESOLUTION 2020/237

Moved: Cr Peter McCrabb

Seconded: Cr Marg Bull

That Council note the Major Projects Program from various funding sources - Progress Report for November 2020.

CARRIED

10.16 PLAN OF MANAGEMENT FOR MULTIPLE RESERVES

RESOLUTION 2020/238

Moved: Cr Peta Betts

Seconded: Cr Pat Fogarty

That Council adopts the Plan of Management, contained in Attachment 1 to this report, for the following Crown Land reserves:

- (i) Coonambigil Creek Access Reserve - No. 60493
- (ii) Outback Youth Centre Reserve - No. 68686
- (iii) Sloane Street Boat Ramp Reserve - No. 89724
- (iv) Edward River Reserve - No. 79140
- (v) Yarralong Park Reserve - No. 79190
- (vi) Strip between Volunteer Rescue Association and Medical Centre Reserve - No. 83374
- (vii) Twin Rivers Reserve - No. 85613
- (viii) Russell Street Stormwater Basin Reserve- No. 85650
- (ix) Wanderer Street Reserve - No. 88194
- (x) R J Edwards Park Reserve- No. 88504
- (xi) Bound by Burton, Harfleur Decimus Streets Reserve - No. 88943
- (xii) Henry Street Boat Ramp Reserve – No. 95477
- (xiii) Neighbourhood Park Reserve - No. 96669
- (xiv) Warragoon Public School Reserve - No. 150002, and;
- (xv) Bills Park Reserve - No. 150034.

CARRIED

10.17 LOCAL ROADS AND COMMUNITY INFRASTRUCTURE FUNDING PROGRAM

RESOLUTION 2020/239

Moved: Cr Norm McAllister

Seconded: Cr Marg Bull

That Council;

1. Approve allocating \$100,000 towards the projects that were approved in June 2021, for Round 1 of the Local Roads and Community Infrastructure program;
2. Endorse the submitting of an application for the following projects under the Local Roads and Community Infrastructure program, Round 2:
 - a. Footpath replacement and upgrade works,
 - b. Skatepark renewal work,
 - c. Fencing the Island Sanctuary,
 - d. Rural gravel road renewal and upgrade.

CARRIED

At 10:18am Cr Peter McCrabb left the meeting. At 10:20am Cr Peter McCrabb returned to the meeting.

10 CONFIDENTIAL MATTERS

RESOLUTION 2020/240

Moved: Cr Mac Wallace

Seconded: Cr Marg Bull

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

13.1 Contract C2020/16 - Sewer Relining 20/21

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

13.2 Purchase of one Bogie Drive Twin Steer Water Truck

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

13.3 Memorial Park - Construction of Changerooms and Public Amenities (Contract C2021/04)

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

13.4 Application for Rent Assistance - The Crossing Cafe

This matter is considered to be confidential under Section 10A(2) - a of the Local Government Act, and the Council is satisfied that discussion of this matter in an open meeting would, on balance, be contrary to the public interest as it deals with personnel matters concerning particular individuals (other than councillors).

CARRIED

13.1 CONTRACT C2020/16 - SEWER RELINING 20/21

RESOLUTION 2020/241

Moved: Cr Ashley Hall

Seconded: Cr Pat Fogarty

That Council

1. Accepts the tender submitted by Interflow Pty Ltd and award Interflow Pty Ltd Contract C2020/16 – Sewer Main Relining 2020/21 for the extended schedule of rates price of \$340,000 + GST, and;
2. Authorise the General Manager and Mayor to sign and affix the Common Seal of Edward River Council to the contract documentation for Contract C2021/02 – Sewer Main Relining 2020/21

CARRIED

13.2 PURCHASE OF ONE BOGIE DRIVE TWIN STEER WATER TRUCK

RESOLUTION 2020/242

Moved: Cr Peter McCrabb

Seconded: Cr Mac Wallace

That Council

1. Accept the tender submitted by Johnson Truck and Coach Service for the purchase of a Volvo FM11 370 fitted with a Barry Burrows 18,000L Steel water tank for the contract price of \$290,909.09 excluding GST
2. Approve the sale of the existing truck (FM91) by Pickles Auctions.

AMENDMENT

Moved: Cr Ashley Hall

Seconded: Cr Peta Betts

That Council

1. Accept the tender submitted by Johnson Truck and Coach Service for the purchase of a Volvo FM11 370 fitted with a Barry Burrows 18,000L Steel water tank for the contract price of \$209,909.09 excluding GST
2. Review the sale of the existing truck (FM91) by Pickles Auctions.

CARRIED

13.3 MEMORIAL PARK - CONSTRUCTION OF CHANGEROOMS AND PUBLIC AMENITIES (CONTRACT C2021/04)

RESOLUTION 2020/243

Moved: Cr Ashley Hall

Seconded: Cr Peta Betts

That Council:

1. Not accept any tender submissions for C2021/04 Construction of Memorial Park Changerooms & Public Amenities, in accordance with Clause 178(1)(b) of the *Local Government (General) Regulations*, because all submitted tender prices were greater than the available funding for the project;
2. Authorise the Director Infrastructure to negotiate with all tenderers and/or additional contractors other than those who provided tender submission, with a view to entering into a contract to deliver the work within budget, in accordance with Clause 178(3)(e) of the *Local Government (General) Regulations*;
3. Declare the reasons for not entering a fresh tender process being that the tender submissions exceeded the allowable budget;
4. That a further report will be brought to Council for consideration on completion of the negotiation process.

CARRIED

At 11.06am Cr Pat Fogarty left the meeting. At 11.08am, Cr Pat Fogarty returned to the meeting.

At 11.24am Cr Norm McAllister left the meeting.

13.4 APPLICATION FOR RENT ASSISTANCE - THE CROSSING CAFÉ

RESOLUTION 2020/244

Moved: Cr Mac Wallace
Seconded: Cr Ashley Hall

That Council approve the request from The Crossing Café for a further three months' rent relief due to the impact of the renovations and the impact of COVID 19 on their business at the Crossing Café and enter into a payment plan for the balance of the three months' rent outstanding.

CARRIED

RESOLUTION 2020/245

Moved: Cr Mac Wallace
Seconded: Cr Pat Fogarty

That Council moves out of Closed Council into Open Council.

CARRIED

CLOSE OF MEETING

The Meeting closed at 11.26am

The minutes of this meeting were confirmed at the Ordinary Council Meeting held on 17 December 2020.

.....
CHAIRPERSON

7 DISCLOSURES OF INTERESTS

8 MAYORAL MINUTE(S)

Nil

9 REPORTS OF COMMITTEES

Nil

10 REPORTS TO COUNCIL

10.1 COMMUNITY GARDEN COMMITTEE MEETING

Author: Belinda Perrett, Executive Assistant

Authoriser: Philip Stone, General Manager

RECOMMENDATION

That Councillors note the minutes of the Community Garden Committee Meeting held Wednesday 2 December 2020.

ATTACHMENTS

- 1. Minutes 2 December 2020**

**MINUTES OF THE MEETING OF THE EDWARD RIVER COUNCIL COMMUNITY GARDENS COMMITTEE
HELD AT THE EDWARD RIVER COUNCIL OFFICE (CIVIC CENTRE) ON WEDNESDAY 2 DECEMBER 2020****MEMBERS PRESENT:**

Kevin Cole, Jan Cole, Tim Mann, Val Kruger and Marcia Cole.

COUNCIL STAFF PRESENT:

Councillor Pat Fogarty, Suni Campbell (Director Corporate Services), Marie Sutton (Acting Manager Environmental Services), Phil Stone (General Manager) and Marg Butcher (Administration Support Environmental Services).

APOLOGIES:

Rex and Jan Kernich, Jan Renwick, Unis Wahanui, Bill and Wendy Johnston, Garry Kruger, Jeremy Busby, Candice Emery (Goodstart Learning Centre), Giselle Chan, Hong Duong, Nava Mansoori, Trevor David, Ninemok KongPheap.

CHAIRPERSON OF MEETING:

Marie Sutton chaired the meeting and welcomed members and guests present.
The meeting opened at 4.40pm.

CONFIRMATION OF MINUTES:

The minutes from the previous meeting were taken as read and confirmed.

BUSINESS ARISING FROM PREVIOUS MINUTES:

Item	Comments
Mapping of plots	Val provided an updated list of plots numbers and owners, for Council records. Val will continue to maintain plot list.
Committee review	Strategic review has been completed. Community Gardens have yet to form a Committee but will make that a priority and document the process and inform Council when the Committee structure is formalized.
Car boot sale	A successful Car boot sale was held on 22 November 2020

REPORTS:**2021/21 Financial Report**

Suni Campbell reported a net balance of \$3,900.00.

Council and Community Gardens roles and responsibilities s3.55 Committee

Marie Sutton pointed out the roles and responsibilities of Council and the Community Garden Committee. A document from the Minutes of Community Gardens meeting of 7 April 2019 was circulated which outlined the responsibilities and roles of Council and the Community Gardens Committee.

Strategic review of committee framework and community facility management model

Suni Campbell advised that the strategic review of the committee framework and community facility management model has been adopted. The recommendation is for the Community Gardens to become an incorporated committee. Council is working towards implementing the

recommendations made in the final document and will consult with the committee and assist with the transition in the coming months.

GENERAL BUSINESS:

Incorporation

Discussion was held around the Community Garden to become an Incorporated body by March 2021. Community Garden members present were happy for this to go forward. Actions around this discussed were:

- The grounds and plots would be fully maintained by the Community Garden members.
- Garden Committee to become financially independent ie. liable for insurance / water.
- Council to maintain nature strips and adjoining Council land.
- Cr Pat Fogarty offered to be the Council representative to guide the Committee in the right direction to be Incorporated. Council staff members would also be involved in the transition process where required.

New Members

Val Kruger specified there is to be no new members for the interim as new processes around applications are being administered. Council will continue to accept membership applications and refer on to committee and they can advise applicants .

Deni High School Tour

Marcia and Val organized a tour of the Garden for students from the Deniliquin High School. This was very successful and the feedback from the teachers was very positive.

Council to check if tours of the garden are a liability issue as members would like to organize further tours like this.

Events – Use/hire of Council equipment

Marie Sutton to provide a list of equipment and services available for in-kind use or hire for the Community Gardens Committee. Information has been provided by Erica Singleton, Councils Community and Economic Development Project Officer.

Reinstatement of memberships

Phil Stone provided advice that the Community Gardens was a section 355 committee of Council and as such Council could exclude any members that in the opinion of Council did not abide by the rules of conduct . Incorporation of the Community Gardens Committee would see decisions around exclusion or re-instatement of members become the responsibility of the Incorporated Committee.

Safety of trees - Arborist inspection

A large tree limb fell recently and Council was advised. It was requested that the arborist undertake regular inspection of the trees within the community gardens when doing inspection of trees on Council owned land. Parks and Gardens staff will be requested to ensure this occurs .

Watering of Nature Strip trees

The matter of the watering of the Nature strip trees was raised. The Community Gardens Committee has been watering the trees since planting to assist with their establishment. The trees are now growing well and it was requested that they be placed on councils street tree water program. Phil Stone agreed to this request . Parks and Gardens staff will be advised.

Funding Application

Val Kruger advised that the Committee was applying for funding through MIL Grants program. Val requested a copy of previous funding application to Council (which was withdrawn by the Committee) for reference for future funding applications.

Meeting closed at 5.40 pm

10.2 CONARGO MEMORIAL HALL COMMITTEE MEETING**Author:** Belinda Perrett, Executive Assistant**Authoriser:** Philip Stone, General Manager**RECOMMENDATION**

That Councillors note the minutes of the Conargo Memorial Hall Committee Annual General Meeting held 9 November 2020.

MINUTES

Meeting Held: 09/11/2020 – Meeting commenced at 7.40pm in the Conargo Hall

Community and Hall Committee Members present: Lyn & Alan Hardcastle, Ian Paton, Colin & Marg Bull, Bronwyn & Leigh Chappell, Liz McNamara, Deb Stockton, Karen & Emma Griffiths and , Lyn Baker

Apologies: Michelle Paton, Michael Pisasale, Tony & Kylie Charlton, Ritchie Brain, David Bullock, Jeff Rose, Dave Woodhead, Adrian Lamb, Debra Mitchell & James Clayton, Allison and David Pearson, Kerry Rose,

Moved by Bronwyn Chappell 2nd by Alan Hardcastle that the apologies be accepted. Motion carried

Minutes: The 2019 AGM minutes were presented as a true record and tabled for discussion by Colin Bull

Moved by Alan Hardcastle 2nd by Bronwyn Chappell Motion carried

Business Arising from minutes: No business arising from 2019 AGM

President's Report: Colin welcomed everybody.

Then new ceiling is looking good.

1. An update on the Bob White bequest due to the Hall committee being a 355 Committee we have to come to a suitable arrangement with Edward River Council on how we treat the bequest. On my instigation a steering Committee has been formed to try and achieve the desired outcome for the Hall committee.
2. Our desired out comes are:-
 1. To provide financial assistance to students from the Southern Riverina to achieve their highest goals. This could be done in conjunction with the Country Education Foundation who have infrastructure in place to identify such students.
 2. To provide assistance to young professionals working locally who wish to do further study.
 3. To have the ability to financially assist local projects deemed worthy of assistance.

The steering Committee comprises of Colin Bull, Ian Paton, Michael Pisasale, Magnus Aitkin and Bronwyn Chappell as Conargo Hall representatives, Harley Moore (legal rep.) John Mulham (financial) Norm Brennan and General Manager as Edward River Council representatives. We have been fortunate to be introduced to the Westpac Scholarship Foundation who have provided invaluable legal assistance in setting up the Trust. I have been introduced to the CEO of the Foundation & she has been most helpful and I will seek her advice on how to invest the money to get the best return, which we are not able to do until everything is finalized with the Council. It appears we may need Ministerial consent to do what we would like, currently the money is invested with Westpac until things are sorted. The term deposit can only be accessed with 2 of 3 signatures. Signatories are Colin Bull & Ian Paton from the Hall Committee & Sunny Campbell from the Council Finance Department

Colin asked that his report be accepted. 2nd Alan Hardcastle Motion Carried

Treasurer's Report: - (Profit and Loss Sheet)

Due to Covid-19 there has been no Friday night raffles for the past 6 months, so I have taken the liberty of writing off at 30th September all bar stocks & if we're able to sell any stock in the coming year it will be a bonus. Financially we look good being the Bob White bequest money. The approx.. \$20,000 deficit is made up of \$15,000 contribution to the hall upgrade, money written off from the drinks & the Xmas party, grant paid for but the money was received prior to Sept.2019. I have closed the term deposit due to the hall upgrade & the balance has been rolled into the cheque account which now stands at \$66,172.37 as at 30th September.

Ian presented his report and asked that it be accepted, 2nd Alan Hardcastle Motion: Carried

Colin thanked Ian for a job well done

General Business: All general business to be held over to the regular meeting following the AGM.

Correspondence: None

Election of Office Bearers for 2020/2021

Leigh Chappell was asked if he would take the chair for the election of office bearers and he declared all positions vacant.

Nominations called for President

Colin Bull nominated by Alan Hardcastle, 2nd Lyn Baker. **Accepted and duly elected**

Nominations called for Vice President

Vice President Michael put in an apology but was happy to take the position again if nominated

Michael Pisasale nominated by Colin Bull, 2nd by Bronwyn Chappell. **Accepted and duly elected**

Nominations called for Secretary

Lyn Hardcastle nominated by Colin Bull, 2nd by Lyn Baker. **Accepted and duly elected**

Nominations called for Treasurer

Ian Paton nominated by Alan Hardcastle, 2nd by Marg Bull. **Accepted and duly elected**

Nominations called for Hall Booking Officer

Deb Stockton nominated by Lyn Hardcastle, 2nd by Lyn Baker. **Accepted and duly elected**

Motion: That all other AGM attendees and those apologising be considered as members of the Hall Committee and that the Hall Committee also be willing to accept other community members wishing to join the committee.

Motion Carried

ATTACHMENTS

1. 2020 Profit and Loss
2. 2020 Balance Sheet

5:07 PM
21/11/20
Cash Basis

Conargo Hall Committee
Profit & Loss
October 2019 through September 2020

	Oct 19 - Sep 20	Oct 18 - Sep 19
Income		
Christmas Functions		
Bar	1,714.35	1,262.20
Major Draws	2,265.00	2,087.00
Meal	0.00	900.00
Total Christmas Functions	3,979.35	4,249.20
Functions		
Bar	5,035.65	7,934.55
Total Functions	5,035.65	7,934.55
Grants received	0.00	3,263.52
Interest Received	501.30	1,712.79
Pub Raffles	1,891.00	4,426.10
Recycling	140.20	206.20
Rent of Hall	270.00	1,599.00
Sundry Income	6.00	300.00
Total Income	11,823.50	23,691.36
Expense		
Advertising	0.00	198.00
Christmas Function		
Bar supplies	682.77	741.87
Catering costs	1,756.68	1,150.25
Major draws	3,670.53	2,481.85
Total Christmas Function	6,109.98	4,373.97
Function Costs		
Bar supplies	6,086.27	5,069.33
Catering	363.02	1,839.72
Total Function Costs	6,449.29	6,909.05
Gas	79.20	79.20
Grounds Maintenance		
Coolroom	1,771.49	1,116.25
Grounds & watering	35.00	0.00
Total Grounds Maintenance	1,806.49	1,116.25
Hall improvements	14,916.00	1,190.50
Kitchen replacements	21.98	10.20
Postage & Stationery	42.48	133.65
Pub raffle		
IGA	486.00	0.00
Meal	242.71	984.99
Meat Trays	306.00	1,955.00
Raffle books	324.00	50.40
Slab	240.00	407.23
Total Pub raffle	1,598.71	3,397.62

5:07 PM
21/11/20
Cash Basis

Conargo Hall Committee
Profit & Loss

October 2019 through September 2020

	<u>Oct 19 - Sep 20</u>	<u>Oct 18 - Sep 19</u>
Sundry costs	1,167.38	662.30
Total Expense	<u>32,191.51</u>	<u>18,070.74</u>
Net Income	<u><u>-20,368.01</u></u>	<u><u>5,620.62</u></u>

5:07 PM
21/11/20
Cash Basis

Conargo Hall Committee
Balance Sheet
As of September 30, 2020

	<u>Sep 30, 20</u>	<u>Sep 30, 19</u>
ASSETS		
Current Assets		
Chequing/Savings		
Commonwealth Cheque Account	66,172.37	11,123.64
Term Deposit 2.60% - 25/7/2018	0.00	73,268.19
Total Chequing/Savings	<u>66,172.37</u>	<u>84,391.83</u>
Other Current Assets		
Cash on hand	650.00	650.00
Stock on hand	0.00	2,148.55
Total Other Current Assets	<u>650.00</u>	<u>2,798.55</u>
Total Current Assets	<u>66,822.37</u>	<u>87,190.38</u>
TOTAL ASSETS	<u>66,822.37</u>	<u>87,190.38</u>
LIABILITIES	<u>0.00</u>	<u>0.00</u>
NET ASSETS	<u>66,822.37</u>	<u>87,190.38</u>
EQUITY		
Opening Bal Equity	22,444.70	22,444.70
Retained Earnings	64,745.68	59,125.06
Net Income	-20,368.01	5,620.62
TOTAL EQUITY	<u>66,822.37</u>	<u>87,190.38</u>

10.3 MAYOR, COUNCILLORS AND GENERAL MANAGER MEETINGS**Author:** Belinda Perrett, Executive Assistant**Authoriser:** Philip Stone, General Manager**RECOMMENDATION**

That Council note the Mayor, Councillors and General Manager meetings attended during the month of November 2020, undertaken either remotely, or adhering to COVID-19 distancing regulations.

BACKGROUND

The report details meetings undertaken on behalf of Council by the Mayor, Councillors and the General Manager November 2020.

ISSUE/DISCUSSION

Mayor, Councillor and General Manager meetings November 2020			
Date	Participants	Topic	Council Reps
4 Nov	Yanco Stakeholders Advisory Group	Meeting	Mayor, Cr McAllister
4 Nov	Stephen Blackadder	General Managers Review	Mayor
5 Nov	Andrew Goldman, Michael Suddes	Economic Development	Mayor
9 Nov	NAIDOC Week	Flag Raising	Mayor
9 Nov	RAMJO	Water Committee Meeting	Mayor
10 Nov	Town Hall Advisory Committee	Meeting	Cr Wallace, Cr Betts
11 Nov	Remembrance Day	Ceremony	Mayor
12 Nov	RAMJO	Meeting	Mayor
17 Nov	Deniliquin Business Chamber	AGM	Mayor
19 Nov	Tourism Operators	Breakfast	Cr McCrabb
19 Nov	MLHD	Collaboration Discussion	Mayor, Cr Fogarty, Cr Betts
19 Nov	Murray Socio-Economic Activation Taskforce	Meeting	Mayor
19 Nov	Health Action Group	Meeting	Mayor, Cr Betts
23 Nov	Local Government NSW	Annual Conference	Mayor, General Manager
24 Nov	Rates Harmonisation	Community Meeting Pretty Pine	Cr McCrabb, Cr McAllister, General Manager
24 Nov	CSPC	Meeting	Mayor
24 Nov	Rates Harmonisation	Community Meeting Wanganella	Cr McCrabb, Cr Wallace, Cr Bull, General Manager
24 Nov	Drought and Flood Agency	Introduction	Mayor

25 Nov	Developers Meeting	Breakfast	Mayor, Cr McCrabb, Cr Betts, Cr Hall, Cr Bull, General Manager
25 Nov	Helen Dalton MP	Hidden Treasures Awards and Walking Tour of projects	Mayor, Deputy Mayor, General Manager
25 Nov	Rates Harmonisation	Community Meeting Blighty	Cr McAllister, General Manager
26 Nov	Rates Harmonisation	Community Meeting Deniliquin	Mayor, Deputy Mayor, Cr Bull, General Manager
26 Nov	Rates Harmonisation	Community Meeting Conargo	Mayor, General Manager
26 Nov	Intereach	Annual General Meeting	Mayor, Deputy Mayor, General Manager
26 Nov	South West Music	Board Meeting	Cr Bull
27 Nov	Councillors	GM Performance Agreement Meeting	Mayor, Deputy Mayor, Cr McAllister, Cr Betts, Cr Bull, Cr Hall, Cr McCrabb, General Manager

STRATEGIC IMPLICATIONS

N/A

COMMUNITY STRATEGIC PLAN

5.1 Our community is informed and engaged.

FINANCIAL IMPLICATIONS

N/A

LEGISLATIVE IMPLICATIONS

N/A

ATTACHMENTS

Nil

10.4 RESOLUTIONS OF COUNCIL**Author:** Belinda Perrett, Executive Assistant**Authoriser:** Philip Stone, General Manager**RECOMMENDATION**

That Council note the information in the Resolutions of Council as at 2020.

BACKGROUND

The attached report details the status of open Resolutions of Council.

ISSUE/DISCUSSION

Monthly report to update Councillors and community members on the progress of Council Resolutions.

STRATEGIC IMPLICATIONS

As outlined in the status updates.

COMMUNITY STRATEGIC PLAN

This report aligns with Outcome 5 – A community working together to achieve its potential. Particularly it supports outcome 5.3, our local government is efficient, innovative and financially sustainable.

FINANCIAL IMPLICATIONS

Not applicable

LEGISLATIVE IMPLICATIONS

Not applicable

ATTACHMENTS**1. Resolutions of Council to 8 December 2020**

19 November 2020	Resolution	Responsibility	Status	Expected Date of Completion
2020/224	<p>DA 30/15A – Subdivision Modification</p> <p>That Council resolves to: -</p> <ol style="list-style-type: none"> APPROVE the development consent modification DA30/15A for a 9 lot subdivision on Lot 9 DP790826, 201-209 Hetherington Street, Deniliquin as shown on plan titled <i>Plan of Proposed Subdivision of Lot 9 DP790826</i> and described in details accompanying the Development Application, in accordance with section 4.16 and 4.55 of the Environmental Planning and Assessment Act 1979 and subject to the following reasons: <ol style="list-style-type: none"> <i>The proposal is consistent with the zone and desired future character of the area.</i> <i>The proposal is appropriate on the site given the existing character of the area.</i> <i>Council considered the concerns raised in the submission and considers that the issues have been adequately addressed in the assessment of the proposal and do not justify refusal of the application.</i> Impose conditions as per attachment 5. 	Acting Manager Environmental Services	Developer Notified	Closed
2020/226	<p>Annual Report 19/20</p> <p>That Council:</p> <ol style="list-style-type: none"> Adopt the Edward River Council's 2019-20 Annual Report; and Note that the Annual Report will be submitted to the NSW Minister for Local Government by 31 December 2020 	Director Corporate Services	Underway	31 December 2020
2020/229	<p>Draft Financial Statements 2019-20</p> <p>That Council</p> <ol style="list-style-type: none"> Adopt the Draft Financial Statements 2019-20 incorporating the General Purpose Financial Statements, Special Purpose Financial Statements and Special Schedules 	Director Corporate Services	Underway	Closed

	<ol style="list-style-type: none"> 2. Approve the signing of the “Statement by Councillors and Management” in accordance with Section 413(2)(c) of the Local Government Act 1993 and Clause 215 of the Local Government (General) Regulation 2005 in relation to the Financial Statements 2019-20. 3. Delegate to the General Manager the authority to submit the Financial Statements to the Office of Local Government and the Australian Bureau of Statistics. 4. Exhibit the Financial Statements and Auditor’s Reports and call for public submissions on those documents with submissions closing on 24 December 2020 in accordance with Section 420 of the Local Government Act 1993. 5. Note that the Audited Financial Statements and Auditor’s Reports will be presented to the public at the Ordinary Meeting of Council scheduled for 17 December 2020 in accordance with Section 418(1) of the Local Government Act 1993. 			
2020/232	<p>Christmas Closure That Council</p> <ol style="list-style-type: none"> 1. Note the following Council Christmas business closures: <ol style="list-style-type: none"> a) Council’s Customer Service Centre Closed from 4 pm Wednesday 23rd December 2020, resuming 10am Monday 4th Jan 2021; b) Deniliquin Library Closed from 4 pm Wednesday 23rd December 2020, resuming 10am Monday 4th Jan 2021; c) Council’s Works Depot Closed from 5 pm Wednesday 23rd December 2020, resuming 7.30am Monday 4th Jan 2021; d) Deniliquin Visitor Information Centre & Peppin Heritage Centre Closed on Friday, 25 December, Saturday 26th December 2020 and Friday, 1 January 2021, and maintaining standard 	Manager People & Customer Service	Staff and residents notified	Closed

	<p>operating hours on all other days throughout the Christmas period; and</p> <p>e) Deniliquin Waste Disposal Depot Closed on Friday, 25 December 2020 and Friday, 1 January 2021 and maintaining standard operating hours on all other days throughout the Christmas period.</p> <p>2. Note that Council's kerbside waste collection service will not operate on 25 December 2020 and 1 January 2021, both of which fall on a Friday. As there is not normally a collection on Fridays this will not affect residential garbage collections.</p>			
2020/235	<p>Deniliquin Saleyards Strategy That Council</p> <ol style="list-style-type: none"> 1. Endorse Option 4 to divest and close the cattle yards; 2. Re-invest into the sheep yards and ancillary facilities; 3. Inform Urban Enterprises to complete a draft Saleyards Strategy. 4. Note that the Draft Saleyards Strategy will be brought to Council in February 2021 for consideration. 	Acting Director Infrastructure	Underway	February 2021
2020/236	<p>328 Conroy Street That Council:</p> <ol style="list-style-type: none"> 1. Enter into an agreement with the property owners of 328 Conroy Street to close the section of the Conroy Street road reserve currently fenced into 328 Conroy Street, subject to the property owners agreeing to pay all costs relating to this matter, and; 2. Commence the road closure process in accordance with the requirements of the <i>Roads Act 1993</i> for the portion of Conroy Street that is currently fenced into 328 Conroy Street, subject to the property owners entering into an agreement with Council regarding this matter. 	Acting Director Infrastructure	Property owner notified.	February 2021
2020/239	<p>Local Roads and Community Infrastructure Funding Program That Council;</p>	Acting Director Infrastructure	Application submitted.	March 2021

	<ol style="list-style-type: none"> 1. Approve allocating \$100,000 towards the projects that were approved in June 2021, for Round 1 of the Local Roads and Community Infrastructure program; 2. Endorse the submitting of an application for the following projects under the Local Roads and Community Infrastructure program, Round 2: <ol style="list-style-type: none"> a. Footpath replacement and upgrade works, b. Skatepark renewal work, c. Fencing the Island Sanctuary, d. Rural gravel road renewal and upgrade. 			
2020241	<p>Contract C2020/16 – Sewer Relining 20/21 That Council</p> <ol style="list-style-type: none"> 1. Accepts the tender submitted by Interflow Pty Ltd and award Interflow Pty Ltd Contract C2020/16 – Sewer Main Relining 2020/21 for the extended schedule of rates price of \$340,000 + GST, and; 2. Authorise the General Manager and Mayor to sign and affix the Common Seal of Edward River Council to the contract documentation for Contract C2021/02 – Sewer Main Relining 2020/21 	Acting Director Infrastructure	Letter of acceptance and contract sent.	February 2021
2020/242	<p>Purchase of one Bogie Drive Twin Steer Water Truck That Council</p> <ol style="list-style-type: none"> 1. Accept the tender submitted by Johnson Truck and Coach Service for the purchase of a Volvo FM11 370 fitted with a Barry Burrows 18,000L Steel water tank for the contract price of \$290,909.09 excluding GST 2. Approve the sale of the existing truck (FM91) by Pickles Auctions. <p>AMENDMENT Moved: Cr Ashley Hall Seconded: Cr Peta Betts That Council</p>	Acting Director Infrastructure	Letter of acceptance sent	February 2021

	<ol style="list-style-type: none"> 1. Accept the tender submitted by Johnson Truck and Coach Service for the purchase of a Volvo FM11 370 fitted with a Barry Burrows 18,000L Steel water tank for the contract price of \$209,909.09 excluding GST 2. Review the sale of the existing truck (FM91) by Pickles Auctions. 			
2020243	<p>Memorial Park – Construction of Changerooms and Public Amenities (Contract C2021/04) That Council:</p> <ol style="list-style-type: none"> 1. Not accept any tender submissions for C2021/04 Construction of Memorial Park Changerooms & Public Amenities, in accordance with Clause 178(1)(b) of the <i>Local Government (General) Regulations</i>, because all submitted tender prices were greater than the available funding for the project; 2. Authorise the Director Infrastructure to negotiate with all tenderers and/or additional contractors other than those who provided tender submission, with a view to entering into a contract to deliver the work within budget, in accordance with Clause 178(3)(e) of the <i>Local Government (General) Regulations</i>; 3. Declare the reasons for not entering a fresh tender process being that the tender submissions exceeded the allowable budget; 4. That a further report will be brought to Council for consideration on completion of the negotiation process. 	Acting Director Infrastructure	Further report to December 2020 Council meeting	31 December 2020.
2020/244	<p>Application for Rent Assistance – The Crossing Café That Council approve the request from The Crossing Café for a further three months' rent relief due to the impact of the renovations and the impact of COVID 19 on their business at the Crossing Café and enter into a payment plan for the balance of the three months' rent outstanding.</p>	Acting Director Infrastructure		
15 October	Resolution	Responsibility	Status	Expected

2020				Date of Completion
2020/195	Minutes of the Audit Risk and Improvement Committee Meeting held on 24 September 2020 That Council: 1 Receive and note the Minutes of the Audit Risk and Improvement Committee Meeting held on 24 September 2020, contained at Attachment A. 2. Reviews the policy regarding the financial treatment of residual value of road assets. 3. Reviews the policy on the financial treatment of Grant Funding due to the changes in accounting standards	Director Corporate Services	Commenced	June 2021
2020/200	Annual Code of Conduct Statistical Return 2020 That Council 1. Receive and note the Code of Conduct Annual Statistical Report for the period 1 September 2019 to 31 August 2020 2. Provide the Code of Conduct Annual Statistical Report to the Office of Local Government by 31 December 2020.	Director Corporate Services	Commenced – to be submitted with annual report.	December 2020
2020/203	Planning Proposal No 10 – Lot 2DP1220715, Harfleur Street That Council: 1. Endorse the Planning Proposal provided as Attachment 1 . 2. That Council request the Department of Planning, Industry and Environment to prepare the draft amendment to the Deniliquin Local Environmental Plan 2013 and provide Council with an Opinion that the Plan can be made. 3. That Council request Parliamentary Counsel to prepare the draft Amendment to the Deniliquin Local Environmental Plan 2013 under section 3.36 (1) of the Environmental Planning and Assessment Act 1979	Manager Environmental Services (Acting)	1. Completed 2. Completed 3. Awaiting response	Closed Closed February 2021
2020/205	That Council;	Project Manager	Pricing submitted.	March 2021

	<ol style="list-style-type: none"> 1. Endorse the Pricing Request Sheet submitted to Transport for New South Wales for the reconstruction of 0.5 km of road along the Riverina Highway, 2. Council undertake this work on the state highway network as a contractor on behalf of TfNSW as part of the Road Maintenance Contract, 3. Note that Councils operations team will deliver this project from October 2020 through to February 2021, 4. Note that the finished surface will be reworked and resealed for section 1 (700m) that was completed in May 2020, at an estimated cost of \$100,000 to the project, funded through project contingency. 		<p>Works are programmed to commence 11 January through to March 2021.</p> <p>Works scheduled 16 November through to first week in December.</p>	
2020/213	<p>Sale and Development of Lots 33, 34, 35 and 36 Saleyards Road That Council</p> <ol style="list-style-type: none"> 1. Authorise the General Manager to accept the current offer of \$250,000 inc. GST the sale of the Lots 33,34, 35 and 36 Saleyards Road, Deniliquin to Rhys Tremble Concreting and Engineering. 2. Require the Contract of Sale to be conditional on a development application being submitted with 12 months of signing the contract for the purposes of industrial use and development and include a buy back clause. 3. Authorise the General Manager and Mayor to sign and affix the Common Seal of Edward River Council to the contract documentation for Lots 33,34, 35 and 36 Saleyards Road, Deniliquin 	Manager Community & Economic Development	Contract awaiting signature	November 2020
24 September 2020	Resolution	Responsibility	Status	Expected Date of Completion
2020/187	Footpath Sweeping – Deniliquin CBD That Council;	Director Infrastructure	Scrubber will be in town for a 3 to	December 2020

	<ol style="list-style-type: none"> 1. approve the commencement of a trial relating to a possible increase in service to provide footpath sweeping in Deniliquin CBD, 2. note that a further report will be presented to Council considering the results from these trials. 		4 day trial in October. Test completed. Further report to Council.	February 2021
20 August 2020	Resolution	Responsibility	Status	Expected Date of Completion
2020/155	SME Commercial Leasing Principles during COVID-19 Applications for Concession That Council:- <ol style="list-style-type: none"> 1. Waive 50% and defer 50% of the rental payable by Wettenhall Air Services for 24 months as provided under the mandatory code, for the period the company receives the Jobkeeper allowance. 2. That the Mayor and General Manager be delegated authority to determine further requests for assistance under the code. 	Assets & Procurement Administrator	Commenced	October 2020 December 2020
2020/157	Advocacy Strategy That Council:- <ol style="list-style-type: none"> 1. That the Strategy "Deniliquin Airport Redevelopment be strengthened by including statistics on aircraft movements particularly, for health and emergency services. 2. That detailed evidence be gathered to support the strategy "Investment in Deniliquin Hospital". 3. Adopt the updated Advocacy Strategy 	General Manager	Underway	October 2020 January 2021
2020/164	North Deniliquin Levee Upgrade Feasibility Report That Council: <ol style="list-style-type: none"> 1. Adopt the North Deniliquin Levee Upgrade Feasibility Report, contained as Attachment 1 to this report, and; 2. Apply to Office of Environment and Heritage for funding of the works detailed in the North Deniliquin Levee Upgrade 	Manager Engineering & Assets	Underway	October 2020 February 2021

	Feasibility Report			
16 July 2020	Resolution	Responsibility	Status	Expected Date of Completion
2020/143	<p>That Council;</p> <ol style="list-style-type: none"> 1. Approve an application for a loan facility of up to \$2.5M over the 2020/21 and 2021/22 financial years to match the funding received from the Commonwealth Regional Airport Program towards the renewal and upgrade of the runway at Deniliquin airport, 2. Direct that officers investigate further opportunities for State funding towards this work. 3. Make representations through the Member for Murray and the Deputy Premier seeking State Government funding towards the project as the runway upgrade is essential to providing the region with air access to medical facilities and will assist in aerial firefighting in the event of serious bush and grass fires. 	Manager Engineering and Assets	Representations made.	30 December 2020
2020/144	<p>Asset Management Plans</p> <p>That Council:</p> <ol style="list-style-type: none"> 1. Note the current Transport, Buildings, Open Space and Recreation, Flood Mitigation and Drainage, Water and Sewerage Asset Management Plans; 2. Undertake a project to update the Asset Management Plans based on the outcomes from the Asset Revaluation project; and 3. Receive a further report in October 2020 regarding the Asset Management Plans. 	Manager Engineering and Assets	Asset Management Plans being updated.	15 October 2020 3 December 2020 February 2021
25 June 2020	Resolution	Responsibility	Status	Expected Date of Completion
2020/116	<p>Edward River Council's COVID-19 Economic and Resilience Response</p> <p>That Council, as per resolution 2020/74, apply the extension for the</p>	Director Corporate Services	Extension Revised to 31 December 2020	31 December 2020

	<p>revised interim Debt Collection and Hardship Policy (attachment 1) until 31 December 2020</p> <ol style="list-style-type: none">1. Consider taking up the extended period allowing for rates notices to be issued by 01 September 2020 – refer OLG 20-20 Clarification for issuing and collecting 2020-21 single and first quarter rates instalments. Councils cannot enforce the collection of a single instalment or the first quarter rates instalments until after 30 September 2020.2. Encourage ratepayers who have the capacity to pay their rates early to do so, while acknowledging that many members of the community have been affected by COVID-19 financial pressures and that first quarter rates instalments are now due by 30 September 2020. Pause any new Rates Debt Collection action until 31 December 2020 refer OLG 20-19 Information about Ratings 2020-21.3. Interest will be raised on all outstanding rates and charges up until 30 June 2020. Those ratepayers that have entered into an approved Payment Plan and have adhered to that Payment Plan, will have any interest charges raised, written off. No interest will be raised on overdue rates and charges from 01 July 2020 until 31 December 2020, From the 01 January 2021 to 30 June 2021 the interest rate will be 7.0% per annum refer OLG 20-19 Information about Ratings 2020-21. Waiving of any other Fees/ Interest charges will be considered on a case by case basis; No Rates or Annual Charges will be written off or waived.4. Existing properties already under Debt Collection Legal procedure process to continue as normal. Any correspondence received from a ratepayer regarding suspension of Legal pursuit of debts is to be reviewed on a case by case basis with approval to proceed with Legal Action/Temporarily Suspension/Hold Action. Existing legal charges raised on existing Debts on the property remain as charged, no removal of these legal cost of debt recovery amounts will be applicable.			
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2020/117	Cressy Street Retail Trader Assistance Program That the Retail Trader Assistance program, as set out in Council Report 10.13, 21 st May 2020 be adopted.	Director Infrastructure	Program commenced	31 December 2020
18 June 2020	Resolution	Responsibility	Status	Expected Date of Completion
2020/111	<p>Deniliquin Town Hall and Civic Precinct Redevelopment Program Funding That Council:</p> <ol style="list-style-type: none"> 1. Allocates \$412,805 from the Infrastructure Replacement Reserve towards the Deniliquin Town Hall and Civic Precinct Redevelopment project; 2. Authorise the General Manager to approve a Certificate of Exemption to deviate from Council's Procurement Policy in relation to open tendering for Stage 4 of the Town Hall Revitalisation project in accordance with Section 55(3)(i) of the <i>Local Government Act 1993</i>; 3. Notes that the exemption to Section 55(3)(i) of the <i>Local Government Act 1993</i> is granted due to the following extenuating circumstances: <ol style="list-style-type: none"> (a) Stage 4 forms part of the overall Town Hall Revitalisation project; (b) Stages 1, 2 and 3 were subject to a competitive open tendering process with Council accepting the lowest tenderer as the preferred tenderer; © The preferred tenderer for the overall project shall be requested to provide a quotation for the Stage 4 works; (d) Incorporating Stage 4 into the overall project will assist in delivering the project within the required funding agreement requirements; 4. Authorises the General Manager to negotiate with the preferred tenderer for Contract C2020/21 – Deniliquin Town Hall and Civic Precinct Redevelopment regarding a quotation for Stage 4 of the Deniliquin Town Hall and Civic Precinct 	Director Infrastructure	<p>Detailed designs progressing</p> <p>Final Stage 4 designs available September for pricing by the contractor</p>	<p>September 2020</p> <p>December 2020</p>

	<p>Redevelopment project; and</p> <p>5. Receives a further report regarding the outcomes from the negotiation prior to engaging a contractor for the Stage 4 works.</p>			
16 April 2020	Resolution	Responsibility	Status	Expected Date of Completion
2020/65	<p>Planning Proposal 10</p> <p>That Council:</p> <ol style="list-style-type: none"> 1. Prepare a planning proposal to amend the Deniliquin Local Environmental Plan 2013 in accordance with section 3.33 of the Environmental Planning and Assessment Act 1979 to rezone Lot 2 DP1220715 Harfleur Street, Deniliquin, from SP2 Infrastructure to B2 Local Centre; 2. Forward the planning proposal to the Minister for Planning and Public Spaces in accordance with section 3.34(1) of the Environmental Planning and Assessment Act 1979. 3. Request that the local plan making functions in relation to this planning proposal be delegated to Council. 	Manager Environmental Services	Gateway determination requested 20 April 2020	November 2020
19 December 2019	Resolution	Responsibility	Status	Expected Date of Completion
2019/12/306	<p>Strategic Review of Committee Framework and Community Facility Management Model Report.</p> <p>That Council</p> <ol style="list-style-type: none"> 1. Adopt the Strategic Review of Committee Framework and Community Facility Management Model Report contained at Attachment 1. 2. Request Officers commence implementation via the following priority actions: <ol style="list-style-type: none"> a. Meet with each committee and advise them of the review outcomes and the next steps to implement the recommendations, including the winding-up of Committees as outlined in the report b. Develop and implement terms of reference, 	General Manager	Underway	May 2020 December 2020

	delegations, and trust documentation to implement the Conargo Hall Committee arrangements, including those relating to the bequest from Mr Bob White c. Develop a detailed action plan, with resources and costings, required to achieve the remainder of the implementation plan contained in the report.			
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10.5 INVESTMENT REPORT NOVEMBER 2020

Author: Bruce Maunganidze, Financial Accountant

Authoriser: Suni Campbell, Director Corporate Services

RECOMMENDATION

That Council:

1. Note and receive the November report on Investments totalling \$46,114,842 inclusive of cash at bank for day-to-day operations;
2. Note that actual interest received for the month of November 2020 was \$62,641;
3. Note that accrued interest earned to 30 November 2020 but not yet received was \$80,929;
4. Note the Certificate of the Responsible Accounting Officer and adopt the Investment Report.
5. Note that the December 2020 Investment Report will be presented together with the January 2021 report at the February 2021 Council meeting

BACKGROUND

The purpose of this report is to update Council on the investment of surplus funds and performance of Council's investment portfolio for the month to 30 November 2020 as required by *Regulation No 264 (Part 19) of the Local Government Act 1993*.

As at 30 November 2020, Council had a total of \$46,114,842 in invested funds. Interest received from investments during the month of November 2020 was \$62,641.

Included in this report are the following items:

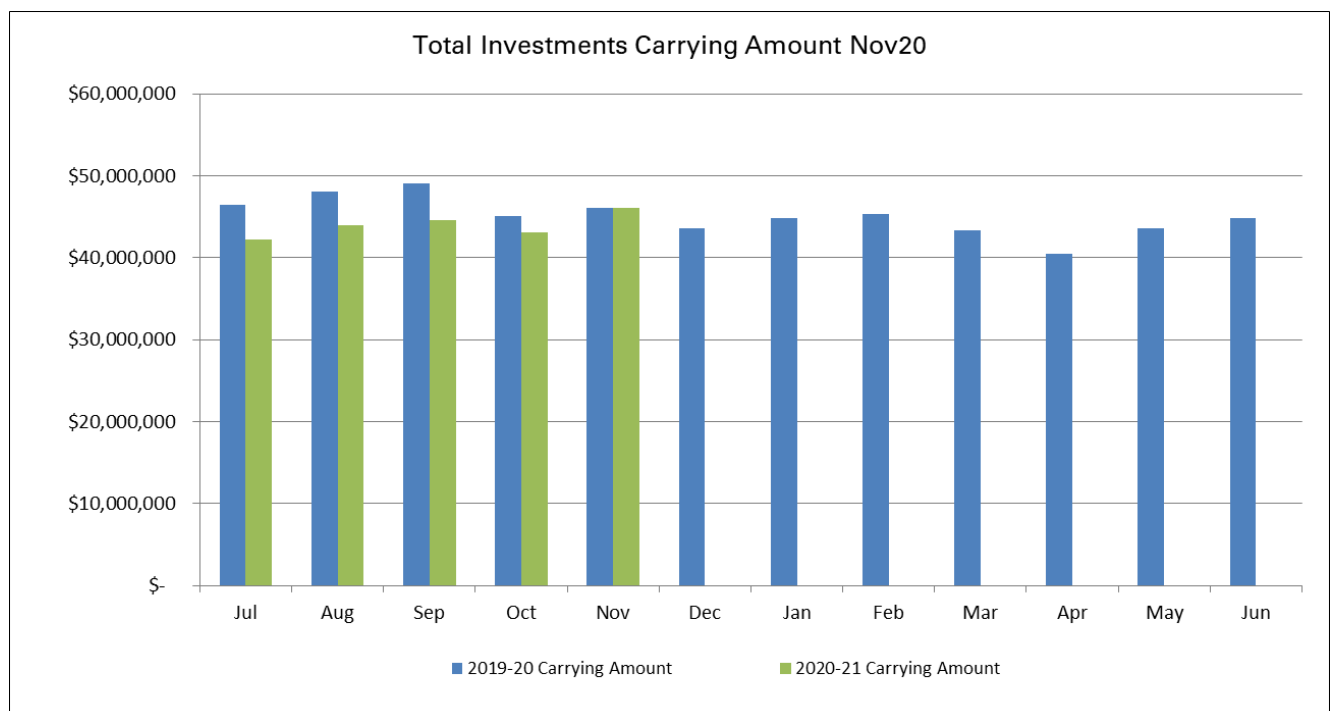
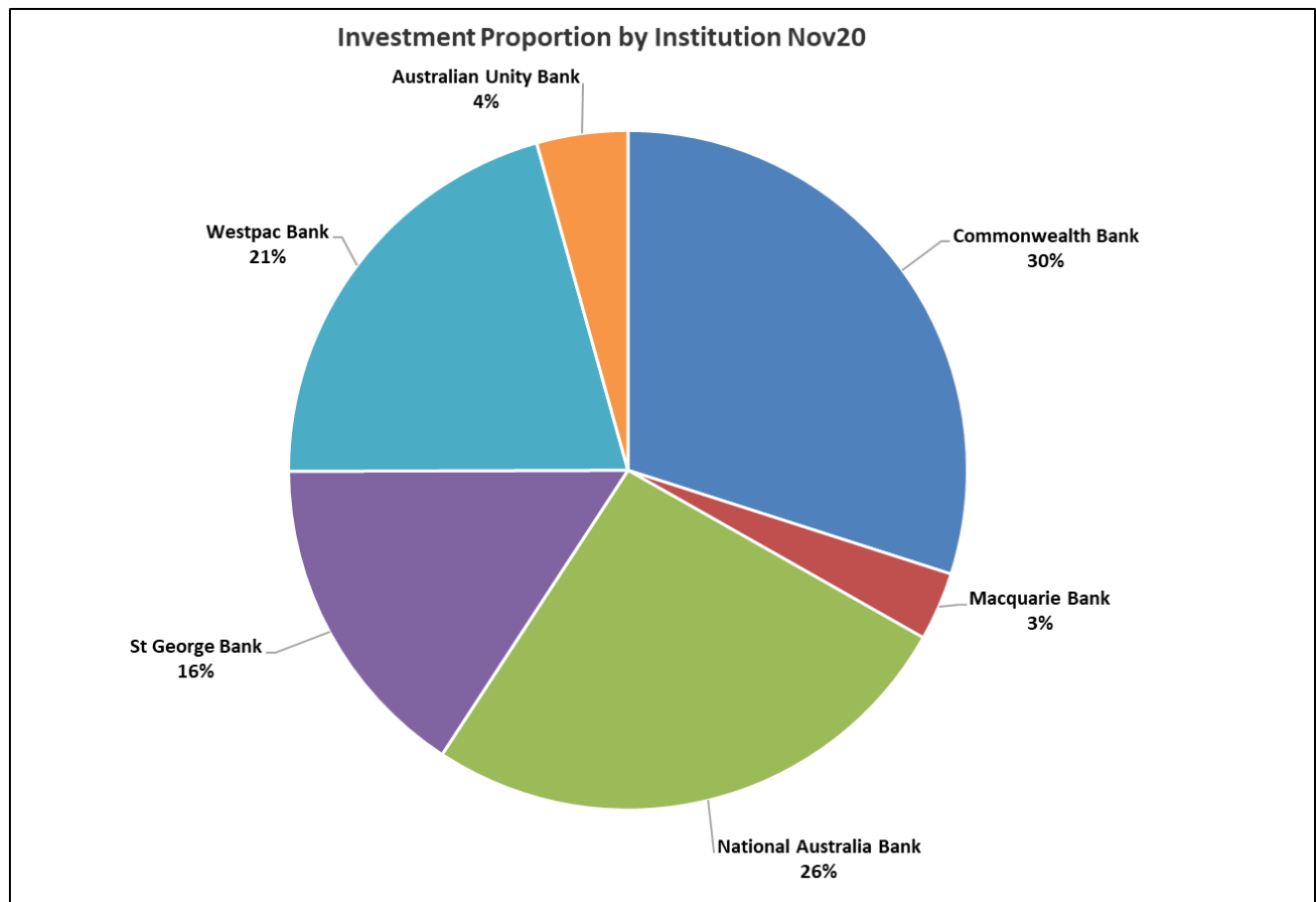
- Council's Investments as at 30 November 2020
- Restrictions Applying to Investment Funds
- Investment Portfolio Performance
- Investment Commentary
- Certification by the Responsible Accounting Officer

ISSUE/DISCUSSION

Council's Investments as at 30 November 2020

As at 30 November 2020, Council had a total of \$46,114,842 in term deposits and cash at bank exclusive of unpresented receipts or cheques. The details of the investments are included in **Attachment 1** – Investment Register as at 30 November 2020.

Council's funds were invested with A1+, A1 and A2 rated Authorised Deposit Institutions (ADI's) as follows:



The total investments balance continues to show a gradual decline from a peak of around \$49M in September 2019 to \$46.1M in November 2020. This is mainly due to capital expenditure on Merger projects as well as other Council infrastructure projects.

ORDINARY COUNCIL MEETING AGENDA

The following term deposits matured during the month:

Financial Institution	Date Invested	Maturity Date	Interest Rate	Amount	Interest Received	Comments
St George	4/11/2019	3/11/2020	1.57%	1,250,000	19,625	Rolled over for 12mnths @0.60%
St George	25/02/2020	3/11/2020	1.50%	1,000,000	10,356	Rolled over for 12mnths @0.60%
Bank of Queensland	6/05/2020	5/11/2020	1.45%	1,000,000	7,270	Redeemed, Reinvested in St George for 12mnths @0.60%
Bank of Queensland	6/05/2020	5/11/2020	1.45%	1,000,000	7,270	Redeemed, Reinvested in NAB for 12mnths @0.55%
Bank of Queensland	6/05/2020	5/11/2020	1.45%	1,000,000	7,270	Redeemed, Reinvested in NAB for 12mnths @0.55%
Bank of Queensland	6/05/2020	5/11/2020	1.45%	1,000,000	7,270	Redeemed, Reinvested in NAB for 12mnths @0.55%
Total				6,250,000	59,061	

Total funds increased by \$3,047,137 during the month due to receipt of Roads and Maritime Services (RMS), Roads To Recovery (RTR) and Financial Assistance Grants (FAG) as well as quarterly rates and charges totalling \$5.2M, partly offset by capital and operational expenditure \$2.2M.

Summary of **cash at bank** for day to day operations:

Cash Summary		Comment
Opening cash book balance	\$ 3,396,543	
Plus receipts	\$ 10,283,194	Term deposit movements, Grants and Rates debtors receipts
Less payments	\$ 9,388,036	Term Deposit movements, Capex and Opex payments
Cash book balance as at 30 November 2020	\$ 4,291,701	
Statement Summary		
Opening statement balance	\$ 3,381,963	
Plus receipts	\$ 10,180,541	Term deposit movements, Grants and Rates debtors receipts
Less payments	\$ 9,142,870	Term Deposit movements, October unrepresented payments, Capex and Opex
Bank statement balance as at 30 November 2020	\$ 4,419,634	
plus Unpresented receipts	\$ 106,857	30 November receipts not yet presented at bank
less Unpresented payments	\$ 234,690	October payments not yet presented at bank
Reconciliation balance as at 30 November 2020	\$ 4,291,801	

Restrictions Applying to Investment Funds

Total Funds were held between General, Water and Sewer as follows:

Fund Name	Bank and Investments Percentage	
General	\$ 31,771,466	68.90%
Water	\$ 8,067,178	17.49%
Sewer	\$ 6,276,198	13.61%
Total Funds	\$ 46,114,842	100.00%

The following restrictions applied to the cash and investments balance:

Internal Restrictions

Infrastructure replacement	\$ 2,599,826
Plant replacement reserve	\$ 1,798,670
Recreation reserves/villages	\$ 1,113,000
Other internal reserves	\$ 713,430
Employee entitlements	\$ 692,727
Land Development Fund	\$ 385,000
Airport Development	\$ 187,447
Deposits, retentions and bonds	\$ 447,529
Retirement Living Project	\$ 271,367
Deniliquin Town Hall and Civic Precinct Redevelopment	\$ 412,805

Total Internal Restrictions	\$ 8,621,801
------------------------------------	---------------------

External Restrictions

Water supplies fund	\$ 8,067,178
Sewerage services fund	\$ 6,276,198
Tip remediation	\$ 1,300,000
Unexpended Merger funds	\$ 3,035,305
Other unexpended grant funds	\$ 955,773
Library fund	\$ 216,659
Other external reserves	\$ 159,653

Total External Restrictions	\$ 20,010,766
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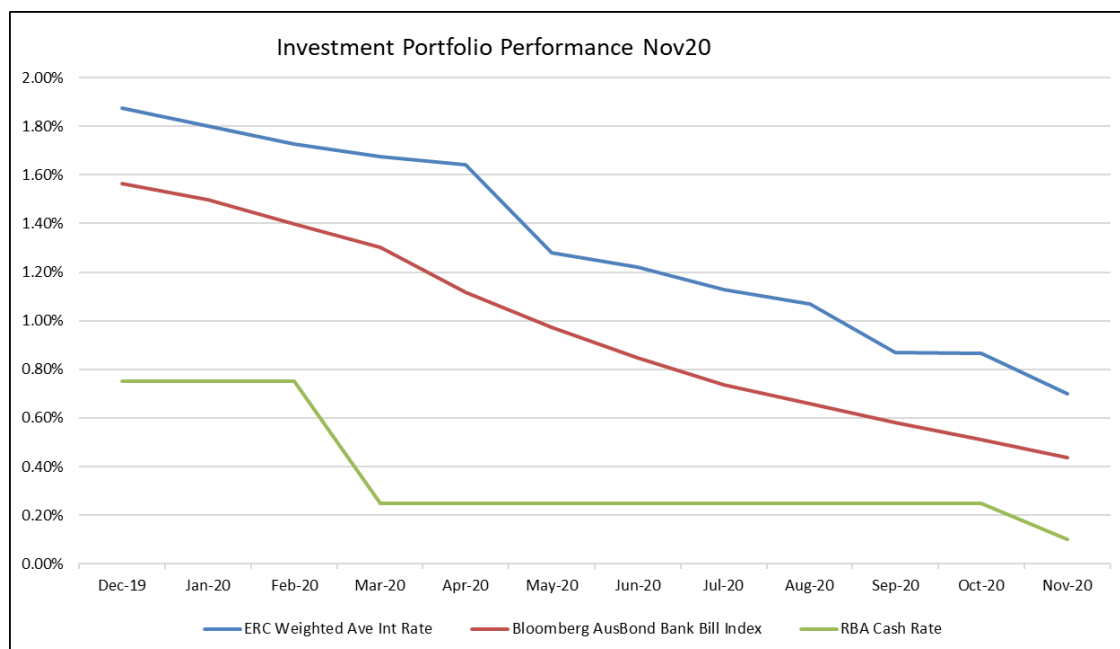
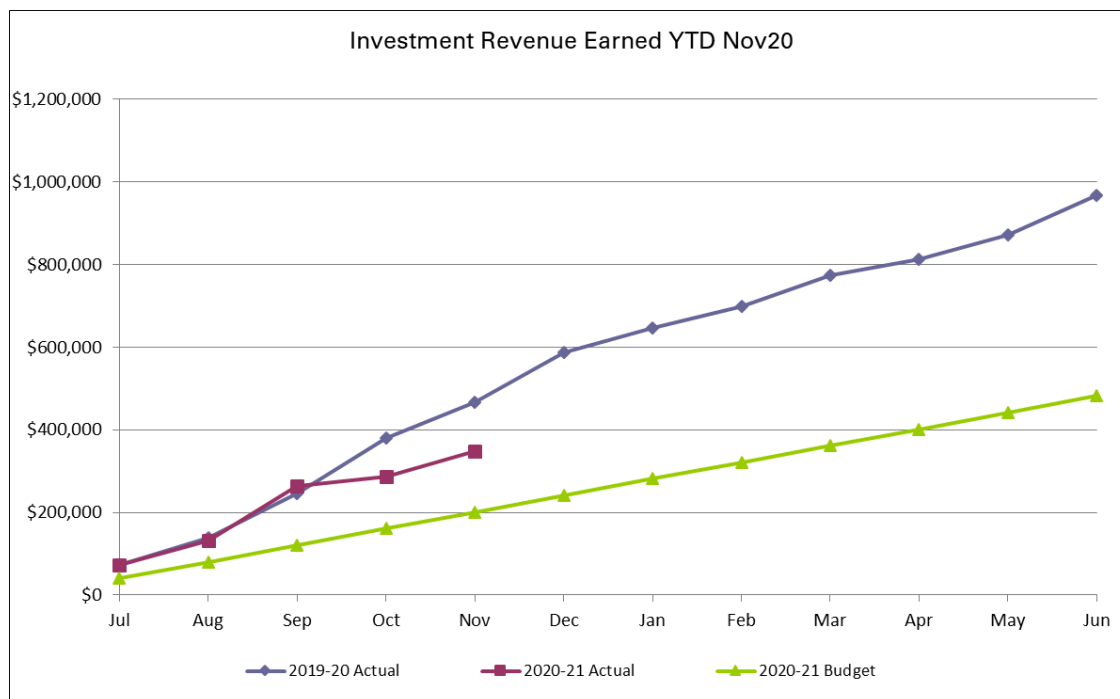
Unrestricted Funds	\$ 17,482,275
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Total Funds	\$ 46,114,842
--------------------	----------------------

A detailed breakdown of the restrictions is provided in **Attachment 2 – Detailed Reserve Balances** as at 30 November 2020.

Investment Portfolio Performance

Interest received from investments during the month of November 2020 was \$62,641 consisting of \$3,580 from on-call/bank accounts and \$59,061 from term deposits. Year to date interest received to 30 November 2020 was \$349,013 which is 74% above the budget and 25% less than the previous year. This reflects the downward movement of interest rates in the economy from the previous year.



As at 30 November 2020, Council's weighted average interest rate was 0.70%, which was 0.26% above the Bloomberg AusBond Bank Bill Index implied one-year return of 0.44%. Accrued interest of \$80,929 had been earned to 30 November 2020 but was yet to be received as these investments mature in later months.

Investment Commentary

As at 30 November 2020, all investments were within the defined Investment Policy limits. Council's investment portfolio consisted of term deposits (73%) and cash at bank/ on call (27%), all with less than one year to maturity.

The term deposit market continues to see worsening returns, with the Reserve Bank of Australia (RBA) electing to cut the official cash rate in early November to a record low of 0.10%. The low interest climate is therefore set to continue in the medium to long term, which means that as Council's current investments mature, the interest rate obtainable in the market will be progressively lower. This will have the effect of reducing Council's weighted average interest rate on investments which means less income from investments.

ORDINARY COUNCIL MEETING AGENDA

To optimise returns and to reduce exposure to risk, Council is investing surplus funds prudently in authorised financial institutions under current legislation and in accordance with the Council's Investment Policy.

STRATEGIC IMPLICATIONS

Investments have been made in accordance with Council's investment policy which was adopted on 20 December 2018.

COMMUNITY STRATEGIC PLAN

This report aligns with Outcome 5 – A community working together to achieve its potential and will assist to achieve the objective 'Our local government is efficient, innovative and financially sustainable'.

FINANCIAL IMPLICATIONS

Under Council's Investment policy, investments are made with a range of ADI's, with Council funds invested with a single institution not going above a percentage of the total portfolio as follows:

40%	A1+ rated institutions
20%	A1 rated institutions
10%	A2 rated institutions
\$250,000	Unrated authorized deposit taking institutions

The overall portfolio credit framework limits applicable to any credit rating category are as follows:

100%	TCorp/M Funds
100%	A1+ rated institutions
40%	A1 rated institutions
30%	A2 rated institutions
5%	A3 Unrated authorized deposit taking institutions

LEGISLATIVE IMPLICATIONS

Certification – Responsible Accounting Officer

I hereby certify that the investments listed in the Investment Report Attachment have been made in accordance with Section 625 of the *Local Government Act 1993*, clause 212 of the *Local Government (General) Regulation 2005* and Council's Investments Policy.

Amanda Barber
Responsible Accounting Officer

ATTACHMENTS

1. Investment Register as at 30 November 2020
2. Detailed Reserve Balances as at 30 November 2020

Schedule of Investments										
This Report is at date 30-November-2020										
Description	Type	Account No.	Rating at EOM (S&P)	Date Invested	Maturity Date	Days	Rate	Face Value Amount	% of Portfolio	Estimated Interest
Westpac Business Cheque Plus Account	Oncall/ CMT	032-870 16-6545	A1+	N/a	N/a	365	0.00%	635,131	1.38%	Monthly
Westpac 31 Day Notice Account	Oncall/ CMT	032-870 23-2696	A1+	N/a	N/a	365	0.75%	5,917,828	12.83%	Monthly
Commonwealth Bank General Fund	Oncall/ CMT	062-533 000 000 10	A1+	N/a	N/a	365	0.05%	3,784,503	8.21%	Monthly
Commonwealth Bank Business On Line Saver	Oncall/ CMT	062-533 101 511 17	A1+	N/a	N/a	365	0.35%	2,023,907	4.39%	Monthly
Macquarie Bank - Rates	Oncall/ CMT	3005-79778	A1	N/a	N/a	365	0.00%	3,382	0.01%	Monthly
Macquarie Bank - Water	Oncall/ CMT	2643-18940	A1	N/a	N/a	365	0.00%	91	0.00%	Monthly
Total Oncall/ CMT Accounts								12,364,842	26.81%	
Term Deposits										
St George	TD	354775348	A1+	03-Sep-20	03-Sep-21	365	0.85%	1,500,000	3.25%	12,750.00
St George	TD	354032747	A1+	04-Nov-20	04-Nov-21	365	0.60%	1,250,000	2.71%	7,500.00
St George	TD	357226820	A1+	04-Nov-20	04-Nov-21	365	0.60%	1,000,000	2.17%	6,000.00
St George	TD	357735245	A1+	22-Sep-20	22-May-21	242	0.80%	2,500,000	5.42%	13,260.27
St George	TD	0	A1+	05-Nov-20	05-Nov-21	365	0.60%	1,000,000	2.17%	6,000.00
Westpac	TD	032-870-24-5462	A1+	26-Sep-20	26-Sep-21	365	0.70%	3,000,000	6.51%	21,000.00
National Australia Bank	TD	GMI-DEAL-10713076	A1+	24-Jul-20	26-Jul-21	367	0.92%	1,000,000	2.17%	9,250.41
National Australia Bank	TD	GMI-DEAL-10713973	A1+	30-Jul-20	30-Jul-21	365	0.85%	2,000,000	4.34%	17,000.00
National Australia Bank	TD	GMI-DEAL-10717570	A1+	18-Aug-20	18-Feb-21	184	0.70%	1,500,000	3.25%	5,293.15
National Australia Bank	TD	0	A1+	25-Aug-20	25-Jun-21	304	0.75%	2,000,000	4.34%	12,493.15
National Australia Bank	TD	75-932-6938	A1+	31-Jul-20	30-Jul-21	364	0.85%	1,500,000	3.25%	12,715.07
National Australia Bank	TD	0	A1+	10-Sep-20	10-Jun-21	273	0.72%	1,000,000	2.17%	5,385.21
National Australia Bank	TD	0	A1+	06-Nov-20	06-Nov-21	365	0.55%	3,000,000	6.51%	16,500.00
Commonwealth Bank	TD	0	A1+	16-Oct-20	16-Sep-21	335	0.60%	4,000,000	8.67%	22,027.40
Commonwealth Bank	TD	0	A1+	23-Oct-20	21-Oct-21	363	0.60%	4,000,000	8.67%	23,868.49
Macquarie Bank	TD	304516123	A1	01-Apr-20	01-Apr-21	365	1.70%	1,500,000	3.25%	25,500.00
Total A1+ Deposits	TD							31,750,000	68.85%	
Australian Unity Bank	TD	083-01854-5526	A2	19-Mar-20	19-Mar-21	365	1.70%	2,000,000	4.34%	34,000.00
Total A2 Deposits								2,000,000	4.34%	
Weighted Average Interest Rate							0.70%	46,114,842	100.00%	250,543.15

ERC Detailed Reserves Balances

30/11/2020

EXTERNAL RESERVES

Developer Contributions - General	39,485
Specific Purpose Unexpended Grants	955,773
Water Supplies	8,067,178
Sewerage Services	6,276,198
Domestic Waste Management	1,300,000
Merger Operational	415,323
Merger Stronger Communities	2,619,982
Conargo Milestones/Interpretative	37,287
Conargo Oval M&R	20,000
Deniliquin Band Committee	21,419
Deniliquin Community Gardens	2,967
EPA Waste	35,915
Library Reserve	216,659
Regional Arts	2,580
Total External Restrictions	20,010,766

INTERNAL RESERVES

Plant Replacement	1,798,670
Infrastructure Replacement	2,599,826
Employees Leave	692,727
Deposits, retentions and bonds	447,529
Airport Industrial Land	50,000
Asset Management	14,000
Airport Runway Development	187,447
Blighty Power Upgrade	70,000
Building Maintenance	50,000
Cemetery Upgrade	9,000
Depot office & gates upgrade	41,000
Dog Trail	3,000
Election Reserve	12,312
Fencing Conargo	7,000
Gravel Pits	14,000
Human Resources	17,674
Internal Audit	6,000
Land Development	385,000
Landscaping plan	90,000
Recreation Reserves/Villages (Landscaping Plans)	1,113,000
Risk Management	44,686
Wanganella Community Hall	5,000
Shire Entrance Signs	5,000
Tourism/Industry Promotion	13,000
Town Planning Plan, Surveys & Studies	102,662
Waste Facilities	63,300
Water Supply Network	57,000
Website Development	1,750
Retirement Living Project	271,367
Conargo and Pretty Pine Rural Landfills	37,045
Deniliquin Town Hall and Civic Precinct Redevelopment	412,805

Total Internal Restrictions**8,621,801****Total Restrictions****28,632,567**

10.6 PRESENTATION OF AUDITED FINANCIAL STATEMENTS AND AUDIT REPORT 2019-20**Author:** Amanda Barber, Manager Finance**Authoriser:** Suni Campbell, Director Corporate Services**RECOMMENDATION**

That Council

1. Note the presentation of the Audited Financial Statements and Auditors Report for 2019-20 financial year to the public in accordance with Section 419(1) of the Local Government Act 1993, refer **Attachment 1 and 2**

BACKGROUND

Council placed the 2019-2020 audited financial statements on public exhibition from Friday 20 November and invited submissions. Submissions are closing on 24 December 2020. Any submissions received are required to be presented at the meeting and referred to the NSW Audit Office in accordance with *Section 420(3) of the Local Government Act 1993*.

The Financial Statements for the financial year ended 30 June 2020 were reported to the Extraordinary meeting held on 19 November 2020 where Council adopted the Audited 2019-2020 Financial Statements and Auditor's Reports [**Resolution 2020/229**] and resolved to present the Audited 2019-20 Financial Statements and Auditor's Reports to the public at this Ordinary Meeting of Council in accordance with *Section 419 of the Local Government Act 1993*.

ISSUE/DISCUSSION

A summary of the 2019-20 Financial Statements is provided in Table 1 below, and the Audited Financial Statements and Auditors Report contained within Attachment 1 and 2.

Table 1 – Summary 2019-20 Financial Statements

	2019 Restated \$'000	2020 \$'000
Income Statement		
Total income from continuing operations	39,073	38,408
Total expenses from continuing operations	27,273	42,869
Operating result from continuing operations	11,800	(4,461)
Net operating result for the year	11,800	(4,461)
Operating result before grants and contributions provided for capital purposes	1,780	(12,681)
Statement of Financial Position		
Total current assets	51,751	48,768
Total current liabilities	(5,146)	(8,185)
Total non-current assets	397,221	440,952
Total non-current liabilities	(632)	(472)
Total equity	443,194	481,063
Other Financial Information		

Unrestricted current ratio (times)	11.79x	4.56x
Operating performance ratio (percentage)	10.06%	4.29%
Buildings and infrastructure renewals ratio (percentage)	115.65%	66.43%
Debt service cover ratio (times)	4.42x	-
Own source operating ratio	48.24%	56.25%
Cash expense cover ratio (months)	30.62	27.92
Rates and annual charges outstanding ratio (percentage)	6.01%	10.62%

STRATEGIC IMPLICATIONS

Nil

COMMUNITY STRATEGIC PLAN

5 - A community working together to achieve its potential

5.3 - Our local government is efficient, innovative and financially sustainable

5.3.1 - Deliver sustainable financial management

5.3.1.2 - Monitor and accurately report on Council's financial position in accordance with Local Government Act requirements.

FINANCIAL IMPLICATIONS

There are no financial implications in presenting the Financial Reports to the public.

LEGISLATIVE IMPLICATIONS

The presentation of the Financial Statements to the Public is required by *Section 419(1) of the Local Government Act*.

ATTACHMENTS

1. ERC Financial Statements 2020 with Independent Auditor Reports
2. ERC - Report on the Conduct of the Audit 2020

Edward River Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2020



Edward River Council

Financial Statements 2020

General Purpose Financial Statements

for the year ended 30 June 2020

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2. Statement by Councillors & Management	4
3. Primary Financial Statements:	
Income Statement	5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
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Overview

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

180 Cressy Street
Deniliquin NSW 2710

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.edwardriver.nsw.gov.au.

Edward River Council

Financial Statements 2020

General Purpose Financial Statements

for the year ended 30 June 2020

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

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

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate five "primary" financial statements:

1. The Income Statement

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW the auditor provides 2 audit reports:

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

Who uses the Financial Statements?

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

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

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

Edward River Council

Financial Statements 2020

General Purpose Financial Statements

for the year ended 30 June 2020

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 19 November 2020.



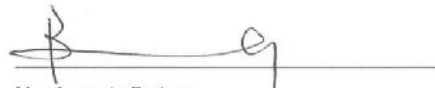
Cr Norm Brennan
Mayor
19 November 2020



Cr Pat Fogarty
Deputy Mayor
19 November 2020



Mr Phil Stone
General Manager
19 November 2020



Mrs Amanda Barber
Responsible Accounting Officer
19 November 2020

Edward River Council

Financial Statements 2020

Income Statement

for the year ended 30 June 2020

Original unaudited budget 2020 \$ '000		Notes	Actual 2020 \$ '000	Restated Actual 2019 \$ '000
Income from continuing operations				
12,895	Rates and annual charges	3a	13,074	12,736
3,348	User charges and fees	3b	7,114	4,437
575	Other revenues	3c	504	470
7,447	Grants and contributions provided for operating purposes	3d,3e	8,584	10,165
1,275	Grants and contributions provided for capital purposes	3d,3e	8,220	10,020
825	Interest and investment income	4	912	1,173
–	Net share of interests in joint ventures and associates using the equity method	17	–	72
26,365	Total income from continuing operations		38,408	39,073
Expenses from continuing operations				
9,219	Employee benefits and on-costs	5a	9,155	8,734
–	Borrowing costs	5b	10	143
3,523	Materials and contracts	5c	6,230	5,127
8,610	Depreciation and amortisation	5d	8,982	8,801
3,405	Other expenses	5e	4,517	3,260
–	Net losses from the disposal of assets	6	2,598	1,208
–	Revaluation decrement / impairment of IPP&E	5d	11,367	–
–	Net share of interests in joint ventures and associates using the equity method	17	10	–
24,757	Total expenses from continuing operations		42,869	27,273
1,608	Operating result from continuing operations		(4,461)	11,800
1,608	Net operating result for the year		(4,461)	11,800
1,608	Net operating result attributable to council		(4,461)	11,800
333	Net operating result for the year before grants and contributions provided for capital purposes		(12,681)	1,780

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.

Edward River Council

Financial Statements 2020

Statement of Comprehensive Income
for the year ended 30 June 2020

	Notes	2020 \$ '000	Restated 2019 \$ '000
Net operating result for the year (as per Income Statement)		(4,461)	11,800
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	10(a)	48,155	1,111
Impairment (loss) reversal / (Revaluation decrement) relating to IPP&E	10(a)	(1,111)	–
Other comprehensive income – joint ventures and associates	17	(80)	–
Total items which will not be reclassified subsequently to the operating result		46,964	1,111
Total other comprehensive income for the year		46,964	1,111
Total comprehensive income for the year		42,503	12,911
 Total comprehensive income attributable to Council		 42,503	 12,911

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.

Edward River Council

Financial Statements 2020

Statement of Financial Position
as at 30 June 2020

	Notes	2020 \$ '000	Restated 2019 \$ '000	Restated 1 July 2018 \$ '000
ASSETS				
Current assets				
Cash and cash equivalents	7(a)	12,902	19,456	23,487
Investments	7(b)	31,750	29,014	20,755
Receivables	8	4,054	3,231	4,486
Other	9	62	50	25
Total current assets		48,768	51,751	48,753
Non-current assets				
Infrastructure, property, plant and equipment	10(a)	440,606	396,348	387,980
Intangible Assets	11	—	32	164
Investments accounted for using the equity method	17	346	841	769
Total non-current assets		440,952	397,221	388,913
Total assets		489,720	448,972	437,666
LIABILITIES				
Current liabilities				
Payables	13	4,092	2,340	1,347
Income received in advance	13	—	51	336
Contract liabilities	12a	956	—	—
Borrowings	13	—	—	589
Provisions	14	3,137	2,755	2,580
Total current liabilities		8,185	5,146	4,852
Non-current liabilities				
Payables	13	50	50	49
Borrowings	13	—	—	1,951
Provisions	14	422	582	531
Total non-current liabilities		472	632	2,531
Total liabilities		8,657	5,778	7,383
Net assets		481,063	443,194	430,283
EQUITY				
Accumulated surplus	15	432,908	442,083	430,283
Revaluation reserves	15	48,155	1,111	—
Council equity interest		481,063	443,194	430,283
Total equity		481,063	443,194	430,283

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

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

Edward River Council

Financial Statements 2020

Statement of Changes in Equity

for the year ended 30 June 2020

	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
		\$ '000	\$ '000	\$ '000	Restated \$ '000	\$ '000	Restated \$ '000
Opening balance		442,083	1,111	443,194	425,027	–	425,027
Correction of prior period errors	15b	–	–	–	5,256	–	5,256
Changes due to AASB 1058 and AASB 15 adoption	15	(4,634)	–	(4,634)	–	–	–
Changes due to AASB 16 adoption		–	–	–	–	–	–
Restated opening balance		437,449	1,111	438,560	430,283	–	430,283
Net operating result for the year		(4,461)	–	(4,461)	12,175	–	12,175
Correction of prior period errors	15b	–	–	–	(375)	–	(375)
Restated net operating result for the period		(4,461)	–	(4,461)	11,800	–	11,800
Other comprehensive income							
– Gain (loss) on revaluation of IPP&E	10(a)	–	48,155	48,155	–	1,111	1,111
– Impairment (loss) reversal / (Revaluation decrement) relating to IPP&E	10(a)	–	(1,111)	(1,111)	–	–	–
– Joint ventures and associates	17	(80)	–	(80)	–	–	–
Other comprehensive income		(80)	47,044	46,964	–	1,111	1,111
Total comprehensive income		(4,541)	47,044	42,503	11,800	1,111	12,911
Equity – balance at end of the reporting period		432,908	48,155	481,063	442,083	1,111	443,194

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

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

Edward River Council

Financial Statements 2020

Statement of Cash Flows

for the year ended 30 June 2020

Original unaudited budget 2020 \$ '000		Notes	Actual 2020 \$ '000	Actual 2019 \$ '000
Cash flows from operating activities				
Receipts:				
13,089	Rates and annual charges		12,880	13,103
3,350	User charges and fees		7,725	4,409
825	Investment and interest revenue received		1,029	1,085
8,722	Grants and contributions		13,126	20,185
–	Bonds, deposits and retention amounts received		218	39
1,890	Other		(87)	1,189
Payments:				
(9,219)	Employee benefits and on-costs		(8,962)	(8,691)
(3,736)	Materials and contracts		(6,689)	(4,700)
–	Borrowing costs		(10)	(143)
(1,502)	Other		(3,532)	(2,920)
13,419	Net cash provided (or used in) operating activities	16b	15,698	23,556
Cash flows from investing activities				
Receipts:				
215	Sale of infrastructure, property, plant and equipment		330	160
Payments:				
–	Purchase of investment securities		(2,736)	(8,259)
(20,386)	Purchase of infrastructure, property, plant and equipment		(19,846)	(16,948)
(20,171)	Net cash provided (or used in) investing activities		(22,252)	(25,047)
Cash flows from financing activities				
Payments:				
–	Repayment of borrowings and advances		–	(2,540)
–	Net cash flow provided (used in) financing activities		–	(2,540)
(6,752)	Net increase/(decrease) in cash and cash equivalents		(6,554)	(4,031)
20,612	Plus: cash and cash equivalents – beginning of year	16a	19,456	23,487
13,860	Cash and cash equivalents – end of the year	16a	12,902	19,456
26,804	plus: Investments on hand – end of year	7(b)	31,750	29,014
40,664	Total cash, cash equivalents and investments		44,652	48,470

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.

Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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Edward River Council

Financial Statements 2020

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 19 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 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 and are clearly marked:

- Income statement
- Statement of cash flows
- Note 21 – Material budget variations

COVID-19 Impact

The global health crisis from Covid-19 virus has had an impact on Council's operations which is reflected in the financial statements. There was temporary disruption to a number of facilities, services and events with some staff working from home. This did not result in significant reduction in revenue or additional costs.

Council approved a financial hardship assistance package for the Edward River's community. The financial difficulty experienced by many ratepayers led to a higher than normal level of outstanding collections for the financial year.

The impact is not anticipated to affect Council's future operations.

(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.

(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:

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

Significant judgements in applying the council's accounting policies

- Impairment of receivables

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Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation (continued)

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

(d) Monies and other assets received by Council**(i) The Consolidated Fund**

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

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

- General purpose operations
- Water service
- Sewerage service

Due to their immaterial nature, the following Section 355 committees have been excluded from these financial statements:

- Edward River Council Community Garden
- Edward River Concert Band
- Edward River Council Tidy Towns Committee
- Blighty Hall Committee
- Boorooban Hall Committee
- Conargo Hall and Recreation Ground Committee
- Mayrung Hall Committee
- Pretty Pine Hall Committee
- Wanganella Hall Committee
- Multi Arts Centre

(ii) The Trust Fund

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

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

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

(e) 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 does not have material dependence on volunteer services. Volunteers are utilised at the Visitors Information Centre. The estimated value of these services has been included in the financial statements based on average salary and on costs Council would be required to pay if services were not donated.

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Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation (continued)

(f) New accounting standards and interpretations issued not yet effective**New accounting standards and interpretations issued but not yet effective**

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

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

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

AASB 1059 Service Concession Arrangements: Grantors**AASB 2018-5 Amendments to Australian Accounting Standards - Deferral of AASB 1059****AASB 2019-2 Amendments to Australian Accounting Standards – Implementation of AASB 1059**

This standard provides guidance for public sector entities (grantors) who have entered into service concession arrangements with private sector operators.

AASB 1059 requires grantors to recognise a service concession asset and, in most cases, a corresponding liability on the balance sheet.

A control approach is used to assess the service concession arrangements in place.

On initial recognition the asset is measured at current replacement cost based on AASB 13 Fair Value Measurement and existing assets of the grantors are reclassified at the date of transition.

After initial recognition, the grantor accounts for the assets under either AASB 116 Property, Plant and Equipment or AASB 138 Intangible Assets.

The nature of the consideration given to the operator will affect whether the grantor applies either the 'financial liability' or the 'grant of right' model for the recognition of the liability.

AASB 2019-2 makes amendments to the recognition and measurement of the asset and liability where the modified retrospective approach to transition is being used and provides a practical expedient due to the different effective dates of AASB 16 and AASB 1059.

Council does not expect any material impact to future financial statements as we do not generally enter into service concession arrangements.

This standard has an effective date for the 30 June 2021 reporting period.

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 - which is not applicable to ERC
- 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 15.

Edward River Council

Financial Statements 2020

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).										
	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
		Restated				Restated				Restated
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Functions or activities ^{1, 2}										
A community working together to achieve its potential	11,267	13,154	6,890	5,099	4,377	8,055	5,723	5,618	78,715	139,133
A great place to live	1,681	1,289	2,701	1,829	(1,020)	(540)	5,220	11,922	30,849	70,338
A prosperous and vibrant economy	1,061	851	2,163	735	(1,102)	116	2,434	105	24,713	24,038
A region with quality and sustainable infrastructure	21,703	21,347	28,776	16,294	(7,073)	5,053	1,447	278	328,729	189,921
A valued and enhanced natural environment	2,696	2,432	2,339	3,316	357	(884)	129	50	26,714	20,286
Other	–	–	–	–	–	–	–	–	–	5,256
Total functions and activities	38,408	39,073	42,869	27,273	(4,461)	11,800	14,953	17,973	489,720	448,972

(1) Income and expenditure allocated to each function/ activity using cost centres, with each cost centre being attached to one particular function/activity.

(2) Assets allocated to each activity on the basis of the activities expenditure as a proportion of total expenditure. The assumption is that a function's expenditure is a reflection of that activities utilisation of total assets.

Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

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

These Functions align with Council's Community Strategic Plan and are in line with Council's Integrated Planning and Reporting framework.

A community working together to achieve its potential

These are activities that relate to council's leadership, including governance, administration and general purpose operations. Council's objectives of this function are:

1. Our community is informed and engaged.
2. We collaborate and pursue partnerships that achieve great outcomes for our community.
3. Our local government is efficient, innovative and financially sustainable.

A great place to live

These activities relate to council's society and community, including health, public order and security, community services and education, as well as recreation and culture. Council's objectives for this function are:

1. Our community has access to essential services.
2. Our community is safe, happy and healthy, both physically and mentally.
3. Our community and public spaces are accessible and inclusive and reflect our history, heritage and culture.

A prosperous and vibrant economy

These activities relate to the economy in Council's area of operation and include agriculture, manufacturing, construction and economic affairs. Council's objectives for this function are:

1. Our economy is strong and diverse.
2. We develop our key assets to enhance agriculture, boost tourism and support existing business.
3. Our region provides strong education, employment and training opportunities.

A region with quality and sustainable infrastructure

These activities relate to infrastructure, including water and sewerage, roads, transport and communication. Council's objectives for this function are:

1. Our built environment is managed, maintained and improved.
2. Our road network is a source of pride.
3. Our water and sewer infrastructure is efficient and fit for purpose.

A valued and enhanced natural environment

These activities relate to the natural environment in which council operates, including solid waste management, drainage and storm water management. Council's objectives for this function are:

1. We are committed to resource recovery and waste management.
2. Our natural environment is protected and enhanced.
3. We plan for the future to accommodate and facilitate sustainable growth and development.

Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations

	AASB	2020 \$ '000	2019 \$ '000
(a) Rates and annual charges			
Ordinary rates			
Residential	1058 (1)	3,603	3,505
Farmland	1058 (1)	2,783	2,700
Business	1058 (1)	1,045	1,006
Other	1058 (1)	30	29
Less: pensioner rebates (mandatory)	1058 (1)	(148)	(148)
Rates levied to ratepayers		7,313	7,092
Pensioner rate subsidies received	1058 (1)	85	76
Total ordinary rates		7,398	7,168
Annual charges			
(pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic waste management services	1058 (1)	1,158	1,198
Stormwater management services	1058 (1)	75	75
Water supply services	1058 (1)	1,391	1,344
Sewerage services	1058 (1)	2,976	2,887
Waste management services (non-domestic)	1058 (1)	155	148
Less: pensioner rebates (mandatory)	1058 (1)	(177)	(178)
Annual charges levied		5,578	5,474
Pensioner subsidies received:			
– Water	1058 (1)	36	34
– Sewerage	1058 (1)	34	33
– Domestic waste management	1058 (1)	28	27
Total annual charges		5,676	5,568
TOTAL RATES AND ANNUAL CHARGES		13,074	12,736

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 2020 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.

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Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

	AASB	2020 \$ '000	2019 Restated \$ '000
(b) User charges and fees			
Specific user charges			
(per s.502 - specific 'actual use' charges)			
Water supply services	15 (1)	1,860	1,923
Sewerage services	15 (1)	277	350
Waste management services (non-domestic)	15 (1)	82	85
Total specific user charges		2,219	2,358
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Building regulation	15 (1)	45	24
Inspection services	15 (1)	29	26
Private works – section 67	15 (1)	219	166
Regulatory/ statutory fees	15 (1)	22	20
Section 10.7 certificates (EP&A Act)	15 (1)	2	17
Section 603 certificates	15 (1)	25	24
Development fees	15 (1)	67	36
Impounding fees	15 (1)	5	7
Other – certificates and permits	15 (1)	10	10
Re-zoning fees	15 (1)	–	2
Total fees and charges – statutory/regulatory		424	332
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Aerodrome	15 (1)	98	111
Caravan park	15 (1)	41	79
Cemeteries	15 (1)	106	114
Gravel pits	15 (1)	–	7
Leaseback fees – Council vehicles	15 (1)	7	37
Library and art gallery	15 (1)	6	7
Park rents	15 (1)	8	5
RMS charges (state roads not controlled by Council)	15 (1)	3,870	1,094
Agistment	15 (1)	–	10
Animal control	15 (1)	1	1
Medical centre	15 (1)	98	63
Murray Valley industrial park	15 (1)	21	21
Museum donations	15 (1)	8	14
Other lease rentals	15 (1)	59	83
Truckwash	15 (1)	133	85
Other	15 (1)	15	16
Total fees and charges – other		4,471	1,747
TOTAL USER CHARGES AND FEES		7,114	4,437

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".

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Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

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.

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.

	AASB	2020 \$ '000	2019 \$ '000
(c) Other revenues			
Rental income – other council properties	15 (2)	53	47
Fines	1058 (1)	23	20
Legal fees recovery – rates and charges (extra charges)	15 (1)	78	109
Commissions and agency fees	15 (1)	3	9
Diesel rebate	1058 (1)	104	111
Recycling income (non-domestic)	15 (1)	16	1
Sales – general	15 (1)	59	69
Insurance rebates	1058 (1)	81	63
Royalties	15 (1)	7	3
Other	1058 (1)	17	20
Workers compensation reimbursement	1058 (1)	63	18
TOTAL OTHER REVENUE		504	470

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

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

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

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

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

Accounting policy for other revenue

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

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

2019 accounting policy:

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Council and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Parking fees and fines are recognised as revenue when the service has been provided, or when the penalty has been applied, whichever occurs first.

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Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

	AASB	Operating 2020 \$ '000	Operating 2019 \$ '000	Capital 2020 \$ '000	Capital 2019 \$ '000
(d) Grants					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	1058 (1)	2,016	1,994	–	–
Financial assistance – local roads component	1058 (1)	763	763	–	–
Payment in advance - future year allocation					
Financial assistance – general component	1058 (1)	2,134	2,068	–	–
Financial assistance – local roads component	1058 (1)	810	792	–	–
Total general purpose		5,723	5,617	–	–
Specific purpose					
Economic development	1058 (1)	834	105	1,600	–
Employment and training programs	1058 (1)	40	–	–	–
Environmental programs	1058 (1)	17	50	50	–
Heritage and cultural	1058 (1)	13	10	–	–
Library – per capita	1058 (1)	56	37	–	–
Library – special projects	1058 (1)	24	–	–	–
Noxious weeds	1058 (1)	62	–	–	–
NSW rural fire services	1058 (1)	240	687	200	3,400
Recreation and culture	1058 (2)	5	3	168	–
Transport (roads to recovery)	1058 (1)	–	–	1,445	–
Transport (other roads and bridges funding)	1058 (1)	–	187	2	12
Crown reserve	1058 (1)	–	79	–	–
Merger funding – new Council implementation	1058 (1)	–	1,600	–	–
Merger funding – stronger communities	15 (1)	–	–	4,474	6,186
Total specific purpose		1,291	2,758	7,939	9,598
Total grants		7,014	8,375	7,939	9,598
Grant revenue is attributable to:					
– Commonwealth funding		5,888	5,618	752	–
– State funding		828	2,071	5,670	9,598
– Other funding		298	686	1,517	–
		7,014	8,375	7,939	9,598

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”.

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Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

	AASB	Operating 2020 \$ '000	Operating 2019 \$ '000	Capital 2020 \$ '000	Capital 2019 \$ '000
Notes					
(e) Contributions					
Developer contributions:					
(s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 64 – water supply contributions	1058 (1)	51	56	–	–
S 64 – sewerage service contributions	1058 (1)	33	66	–	–
Total developer contributions – cash		84	122	–	–
Total developer contributions	25	84	122	–	–
Other contributions:					
Cash contributions					
RMS contributions (regional roads, block grant)	1058 (1)	1,397	1,560	231	422
Other	1058 (1)	17	2	50	–
Economic Development	1058 (1)	14	36	–	–
Library services	1058 (1)	58	70	–	–
Total other contributions – cash		1,486	1,668	281	422
Total other contributions		1,486	1,668	281	422
Total contributions		1,570	1,790	281	422
TOTAL GRANTS AND CONTRIBUTIONS		8,584	10,165	8,220	10,020

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

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

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

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

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

Accounting policy for grants and contributions**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 infrastructure refurbishments performance obligations within AASB 15 grants for Council's showgrounds, truckshop, landfill and fixing roads. 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.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

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.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

	2020 \$ '000	2019 \$ '000
(f) Unspent grants and contributions – external restrictions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner due to externally imposed restrictions.		
Operating grants		
Unexpended at the close of the previous reporting period	8,849	11,068
Add: operating grants recognised as income in the current period but not yet spent (2019 only)	2	1,743
Less: operating grants recognised in a previous reporting period now spent (2019 only)	(3,783)	(3,962)
Less: operating grants received in a previous reporting period now spent and recognised as income	–	–
Unexpended and held as externally restricted assets (operating grants)	5,068	8,849
Capital grants		
Unexpended at the close of the previous reporting period	4,634	–
Add: capital grants recognised as income in the current period but not yet spent (2019 only)	556	4,634
Less: capital grants received in a previous reporting period now spent and recognised as income	(4,234)	–
Unexpended and held as externally restricted assets (capital grants)	956	4,634
Contributions		
Unexpended at the close of the previous reporting period	–	39
Less: contributions recognised in a previous reporting period now spent	–	(39)
Unexpended and held as externally restricted assets (contributions)	–	–

Edward River Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 4. Interest and investment income

	2020 \$ '000	2019 \$ '000
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	54	77
– Cash and investments	852	1,061
– Other	6	35
Finance income on the net investment in the lease	–	–
Total Interest and investment income	912	1,173
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	54	77
General Council cash and investments	262	476
Restricted investments/funds – external:		
Water fund operations	209	192
Sewerage fund operations	143	150
Domestic waste management operations	29	29
Restricted investments/funds – internal:		
Internally restricted assets	215	249
Total interest and investment revenue	912	1,173

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.

Edward River Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations

	2020 \$ '000	2019 \$ '000
(a) Employee benefits and on-costs		
Salaries and wages	7,097	6,893
Employee termination costs	–	148
Travel expenses	25	–
Employee leave entitlements (ELE)	1,597	1,668
Superannuation	925	826
Workers' compensation insurance	213	292
Fringe benefit tax (FBT)	20	24
Training costs (other than salaries and wages)	120	175
Protective clothing	1	4
Uniform clothing	37	44
Recruitment costs	3	3
OH&S expenses	8	32
Other	4	4
Total employee costs	10,050	10,113
Less: capitalised costs	(895)	(1,379)
TOTAL EMPLOYEE COSTS EXPENSED	9,155	8,734
Number of 'full-time equivalent' employees (FTE) at year end	102	105
Number of 'full-time equivalent' employees (FTE) at year end (incl. vacancies)	106	107

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.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

	Notes	2020 \$ '000	2019 \$ '000
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on leases		–	–
Interest on loans		–	131
Total interest bearing liability costs		–	131
Total interest bearing liability costs expensed		–	131
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	14	10	12
Total other borrowing costs		10	12
TOTAL BORROWING COSTS EXPENSED		10	143

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.

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

	2020 \$ '000	2019 \$ '000
(c) Materials and contracts		
Raw materials and consumables	1,674	1,744
Contractor and consultancy costs		
– Contractor engineering services	38	328
– Contractor merger related	280	214
– Contractor road services	1,166	341
– Contractor waste services	70	129
– Contractor water and sewer services	315	253
– Contractor IT related	88	78
– Contractor sports and recreation	411	348
– Contractor corporate services	259	212
– Contractor other	492	387
– Consultancy merger related	313	33
– Consultancy corporate services	81	128
– Consultancy town planning	77	–
– Consultancy other	312	81
Auditors remuneration ¹	76	74
Legal expenses:		
– Legal expenses: planning and development	2	–
– Legal expenses: debt recovery	80	111
– Legal expenses: other	30	37
Insurance	276	268
Other	190	361
Total materials and contracts	6,230	5,127
TOTAL MATERIALS AND CONTRACTS	6,230	5,127

Accounting policy for materials and contracts

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

1. Auditor remuneration

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

Auditors of the Council - NSW Auditor-General:**(i) Audit and other assurance services**

Audit and review of financial statements

Remuneration for audit and other assurance services**Total Auditor-General remuneration****Total Auditor remuneration**

	76	74
	76	74
	76	74
	76	74

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Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

	Notes	2020 \$ '000	2019 \$ '000
(d) Depreciation, amortisation and impairment of non-financial assets			
Depreciation and amortisation			
Plant and equipment		1,151	1,166
Office equipment		81	109
Furniture and fittings		25	29
Land improvements (depreciable)		88	92
Infrastructure:	10(a)		
– Buildings – non-specialised		283	193
– Buildings – specialised		798	806
– Other structures		126	135
– Roads		3,836	3,641
– Bridges		74	54
– Footpaths		265	253
– Other road assets		60	103
– Stormwater drainage		383	394
– Water supply network		751	745
– Sewerage network		675	690
– Swimming pools		80	78
– Other open space/recreational assets		171	104
Other assets:			
– Library books		59	29
– Other		43	–
Right of use assets		–	–
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	10,14	1	48
Intangible assets	11	32	132
Total gross depreciation and amortisation costs		8,982	8,801
Total depreciation and amortisation costs		8,982	8,801
Impairment / revaluation decrement of IPP&E			
Community Land		272	–
Infrastructure:	10(a)		
– Buildings – non-specialised		57	–
– Buildings – specialised		3,937	–
– Other structures		1,773	–
– Footpaths		1,409	–
– Water supply network		2,217	–
– Sewerage network		2,786	–
– Swimming pools		27	–
Total gross IPP&E impairment / revaluation decrement costs / (reversals)		12,478	–
Amounts taken through revaluation reserve	10(a)	(1,111)	–
Total IPP&E impairment / revaluation decrement costs / (reversals) charged to Income Statement		11,367	–
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT FOR NON-FINANCIAL ASSETS		20,349	8,801

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Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

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.

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.

Intangible assets that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets that do not meet the criteria above are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

	2020 \$ '000	2019 \$ '000
(e) Other expenses		
Advertising	309	243
Bad and doubtful debts	97	34
Bank and centrepay charges	44	51
Contributions/levies to other levels of government		
– Central Murray County Council ¹	–	141
– Emergency services levy (includes FRNSW, SES, and RFS levies)	414	336
Donations, contributions and assistance to other organisations (Section 356)	148	171
– Crown reserves contribution program	14	13
– ERC merger section 355 contribution program	314	122
– ERC merger ute muster contribution	1,000	–
– Other contributions/levies	73	–
Councillor expenses – mayoral fee	27	38
Councillor expenses – councillors' fees	121	83
Councillors' expenses (incl. mayor) – other (excluding fees above)	34	34
Electricity and heating	549	564
Information technology	323	251
Insurance	536	577
Licences, fees and permits	49	39
Office expenses	25	32
Postage	31	40
Printing and stationery	17	10
Promotion material	17	17
Street lighting	142	188
Subscriptions and publications	76	87
Telephone and communications	81	99
Valuation fees	41	42
Other	35	48
Total other expenses	4,517	3,260
TOTAL OTHER EXPENSES	4,517	3,260

Accounting policy for other expenses

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

⁽¹⁾ Central Murray County Council dissolved 01 July 2019

Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 6. Gain or loss from disposal of assets

	Notes	2020 \$ '000	2019 \$ '000
Plant and equipment	10(a)		
Proceeds from disposal – plant and equipment		330	160
Less: carrying amount of plant and equipment assets sold/written off		(71)	(71)
Net gain/(loss) on disposal		259	89
Infrastructure	10(a)		
Less: carrying amount of infrastructure assets sold/written off		(2,857)	(1,297)
Net gain/(loss) on disposal		(2,857)	(1,297)
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(2,598)	(1,208)

Accounting policy for disposal of assets

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

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

Note 7(a). Cash and cash equivalents

	2020 \$ '000	2019 \$ '000
Cash and cash equivalents		
Cash on hand and at bank	7,005	5,704
Cash-equivalent assets		
– Deposits at call	–	2,252
– Short-term deposits	5,897	11,500
Total cash and cash equivalents	12,902	19,456

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.

Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 7(b). Investments

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
Investments				
b. 'Financial assets at amortised cost'	31,750	–	29,014	–
Total Investments	31,750	–	29,014	–
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	44,652	–	48,470	–
Financial assets at amortised cost				
Long term deposits	31,750	–	29,014	–
Total	31,750	–	29,014	–

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.

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.

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.

Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
Total cash, cash equivalents and investments	44,652	–	48,470	–
attributable to:				
External restrictions	21,561	–	16,895	–
Internal restrictions	9,260	–	20,868	–
Unrestricted	13,831	–	10,707	–
	44,652	–	48,470	–

	2020 \$ '000	2019 \$ '000
--	-----------------	-----------------

Details of restrictions

External restrictions – included in liabilities

Specific purpose unexpended grants – general fund (2020 only)	–	–
Specific purpose unexpended grants – water fund (2020 only)	–	–
Specific purpose unexpended grants – sewer fund (2020 only)	–	–

External restrictions – included in liabilities

External restrictions – other

Developer contributions – general	39	39
Specific purpose unexpended grants (recognised as revenue) – general fund	5,915	1,056
Water supplies	8,363	8,554
Sewerage services	5,523	5,457
Conargo milestones / interpretative	37	37
Conargo Oval M&R	20	20
Deniliquin band committee	21	19
Domestic waste management	1,300	1,300
Deniliquin community gardens	3	3
EPA waste	36	36
Library reserve	301	371
Regional arts	3	3

External restrictions – other

Total external restrictions

21,561	16,895
21,561	16,895

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Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

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

	2020 \$ '000	2019 \$ '000
Internal restrictions		
Plant and vehicle replacement	1,799	1,799
Infrastructure replacement	2,600	3,013
Employees leave entitlement	693	692
Deposits, retentions and bonds	448	230
Airport industrial land	50	50
Asset management	14	14
Airport runway development	187	187
Blighty-upgrade power	70	70
Building maintenance	50	50
Cemetery upgrade	9	9
Conargo landscaping project	–	70
Depot office and gates upgrade	41	41
Dog trail	3	3
Election reserve	12	12
Fencing Conargo	7	7
Gravel pits	14	14
Human resources	18	18
Internal audit	6	6
Land development fund	385	385
Landscaping plans	90	90
Merger operational	–	2,133
Merger stronger communities	–	10,522
Recreation reserves / village landscaping	1,113	1,113
Risk management	44	5
Wanganella hall community	5	5
Shire – entrance signage	5	5
Tourism/industry promotion	13	13
Town planning plans, surveys and studies	103	103
Waste facilities	63	150
Water infrastructure	57	57
Website development	2	2
Booroorban truck layby	50	–
Rural village signage program	15	–
Retirement living project	325	–
Conargo hall refurbishment	70	–
Conargo and Pretty Pine rural landfills	86	–
Cressy street revitalisation	400	–
Deniliquin town hall and civic precinct redevelopment	413	–
Total internal restrictions	9,260	20,868
TOTAL RESTRICTIONS	30,821	37,763

Edward River Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 8. Receivables

	2020 Current	2020 Non-current	2019 Current Restated	2019 Non-current
	\$ '000	\$ '000	\$ '000	\$ '000
Purpose				
Rates and annual charges	1,289	–	683	–
Interest and extra charges	204	–	164	–
User charges and fees (2019 Restated)	1,281	–	1,943	–
Capital debtors (being sale of assets)				
– Other - Dissolution of JV Central Murray County Council	405	–	–	–
Accrued revenues				
– Interest on investments	232	–	389	–
– Other income accruals	473	–	22	–
Net investment in finance lease	–	–	–	–
Amounts due from other councils	–	–	32	–
Net GST receivable	447	–	241	–
Other debtors	7	–	–	–
Total	4,338	–	3,474	–
Less: provision of impairment				
Other debtors	(284)	–	(243)	–
Total provision for impairment – receivables	(284)	–	(243)	–
TOTAL NET RECEIVABLES	4,054	–	3,231	–
Externally restricted receivables				
Water supply				
– Rates and availability charges	89	–	81	–
– Other	388	–	674	–
Sewerage services				
– Rates and availability charges	206	–	180	–
– Other	71	–	114	–
Total external restrictions	754	–	1,049	–
Unrestricted receivables	3,300	–	2,182	–
TOTAL NET RECEIVABLES	4,054	–	3,231	–

	2020 \$ '000	2019 \$ '000
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 139)	243	226
+ new provisions recognised during the year	97	17
- amounts already provided for written off this year	(56)	–
Balance at the end of the year	284	243

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Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 8. Receivables (continued)

Accounting policy for receivables

Recognition and measurement

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

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

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

Impairment

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

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

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

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

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

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

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

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

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

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

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

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

Rates and annual charges outstanding are secured against the property.

Note 9. Inventories and other assets

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
Other assets				
Prepayments	62	–	50	–
TOTAL OTHER ASSETS	62	–	50	–

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Edward River Council

Financial Statements 2020

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 Restated \$ '000	Accumulated depreciation Restated \$ '000	Net carrying amount Restated \$ '000	Additions renewals ⁽¹⁾ \$ '000	Additions new assets \$ '000	Carrying value of disposals \$ '000	Depreciation expense \$ '000	Impairment loss / revaluation decrements (recognised in P/L) \$ '000	Impairment loss / revaluation decrements (recognised in equity) \$ '000	WIP transfers \$ '000	Adjustments and transfers \$ '000	Revaluation decrements to equity (ARR) \$ '000	Revaluation increments to equity (ARR) \$ '000	Gross carrying amount \$ '000	Accumulated depreciation \$ '000	Net carrying amount \$ '000
Capital work in progress	3,853	–	3,853	2,825	–	–	–	–	–	–	–	–	–	6,678	–	6,678
Plant and equipment	14,087	(9,554)	4,533	–	2,216	(71)	(1,151)	–	–	–	–	–	–	14,986	(9,459)	5,527
Office equipment	2,968	(2,625)	343	–	91	–	(81)	–	–	–	–	–	–	3,058	(2,705)	353
Furniture and fittings	280	(207)	73	4	2	–	(25)	–	–	–	–	–	–	287	(233)	54
Land:																
– Operational land	8,671	–	8,671	–	–	–	–	–	–	–	–	(1,045)	–	7,626	–	7,626
– Community land	3,346	–	3,346	–	–	–	–	(272)	–	–	–	–	–	3,074	–	3,074
– Crown land	9,025	–	9,025	–	–	–	–	–	–	–	–	–	4,378	13,403	–	13,403
Land improvements – depreciable	4,394	(1,426)	2,968	215	99	–	(88)	–	–	–	–	–	169	4,774	(1,411)	3,363
Infrastructure:																
– Buildings – non-specialised	15,586	(4,458)	11,128	131	–	–	(283)	(57)	–	–	–	–	–	14,735	(3,816)	10,919
– Buildings – specialised	49,674	(12,834)	36,840	1,782	122	(153)	(798)	(3,937)	–	–	–	–	–	54,847	(20,991)	33,856
– Other structures	18,857	(966)	17,891	–	–	–	(126)	(1,773)	–	–	1,153	–	–	19,883	(2,538)	17,345
– Roads	206,405	(62,513)	143,892	6,182	243	(2,081)	(3,836)	–	–	336	1	–	33,830	236,187	(57,620)	178,567
– Bridges	7,136	(2,302)	4,834	123	–	–	(74)	–	–	–	(1)	–	2,277	10,564	(3,405)	7,159
– Footpaths and kerb and gutter	21,703	(5,867)	15,836	2,262	651	(201)	(265)	(1,409)	–	(273)	–	–	–	24,904	(8,303)	16,601
– Other road assets	3,969	(735)	3,234	390	–	(90)	(60)	–	–	–	–	–	407	4,726	(845)	3,881
– Bulk earthworks (non-depreciable)	27,471	–	27,471	–	16	(11)	–	–	–	–	–	–	5,616	33,092	–	33,092
– Stormwater drainage	33,783	(12,619)	21,164	339	159	14	(383)	–	–	(63)	–	–	3,840	36,871	(11,801)	25,070
– Water supply network	59,230	(22,374)	36,856	781	–	(102)	(751)	(1,637)	(580)	–	–	–	–	60,283	(25,716)	34,567
– Sewerage network	56,085	(22,380)	33,705	–	–	–	(675)	(2,255)	(531)	–	1	–	–	56,529	(26,284)	30,245
– Swimming pools	4,474	(1,047)	3,427	980	77	(234)	(80)	(27)	–	–	(2)	–	–	5,030	(889)	4,141
– Other open space/recreational assets	8,052	(2,147)	5,905	83	647	–	(171)	–	–	–	1	(1,317)	–	8,072	(2,924)	5,148
Other assets:																
– Library books	1,182	(1,026)	156	40	–	–	(59)	–	–	–	–	–	–	1,222	(1,085)	137
– Other	1,290	(94)	1,196	–	–	–	(43)	–	–	–	(1,153)	–	–	–	–	–
Reinstatement, rehabilitation and restoration assets (refer Note 14):																
– Tip assets	431	(430)	1	–	–	–	(1)	–	–	–	–	–	–	430	(430)	–
Total Infrastructure, property, plant and equipment	561,952	(165,604)	396,348	16,137	4,323	(2,929)	(8,950)	(11,367)	(1,111)	–	–	(2,362)	50,517	621,061	(180,455)	440,606

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

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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 ¹			Asset movements during the reporting period							as at 30/06/19 ¹		
	Gross carrying amount	Accumulated depreciation	Net carrying amount ¹	Additions renewals ²	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount ¹
	Restated \$'000	Restated \$'000	Restated \$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	Restated \$'000	Restated \$'000	Restated \$'000
Capital work in progress	2,710	–	2,710	3,324	44	–	–	(2,225)	–	–	3,853	–	3,853
Plant and equipment	14,287	(9,216)	5,071	699	–	(71)	(1,166)	–	–	–	14,087	(9,554)	4,533
Office equipment	2,861	(2,516)	345	–	–	–	(109)	107	–	–	2,968	(2,625)	343
Furniture and fittings	277	(179)	98	–	4	–	(29)	–	–	–	280	(207)	73
Land:													
– Operational land	8,463	–	8,463	–	611	–	–	4	(407)	–	8,671	–	8,671
– Community land	3,346	–	3,346	–	–	–	–	–	–	–	3,346	–	3,346
– Crown land	8,618	–	8,618	–	–	–	–	–	407	–	9,025	–	9,025
Land improvements – depreciable	3,746	(1,334)	2,412	41	244	–	(92)	363	–	–	4,394	(1,426)	2,968
Infrastructure:													
– Buildings – non-specialised	10,382	(4,265)	6,117	131	5,042	–	(193)	31	–	–	15,586	(4,458)	11,128
– Buildings – specialised	49,046	(12,145)	36,901	47	–	(15)	(806)	713	–	–	49,674	(12,834)	36,840
– Other structures	18,857	(831)	18,026	–	–	–	(135)	–	–	–	18,857	(968)	17,891
– Roads	204,597	(61,024)	143,573	4,278	82	(993)	(3,641)	593	–	–	206,405	(62,513)	143,892
– Bridges	7,135	(2,247)	4,888	–	–	–	(54)	–	–	–	7,136	(2,302)	4,834
– Footpaths	21,921	(6,274)	15,647	270	–	(153)	(253)	325	–	–	21,703	(5,867)	15,836
– Other road assets	4,089	(640)	3,449	–	–	(112)	(103)	–	–	–	3,969	(735)	3,234
– Bulk earthworks (non-depreciable)	27,471	–	27,471	–	–	–	–	–	–	–	27,471	–	27,471
– Stormwater drainage	33,720	(12,225)	21,495	63	–	–	(394)	–	–	–	33,783	(12,619)	21,164
– Water supply network	58,899	(22,620)	36,279	715	50	(23)	(745)	–	–	580	59,230	(22,374)	36,856
– Sewerage network	55,487	(21,691)	33,796	40	28	–	(690)	–	–	531	56,085	(22,380)	33,705
– Swimming pools	4,043	(969)	3,074	4	423	–	(78)	3	–	–	4,474	(1,047)	3,427
– Other open space/recreational assets	7,124	(2,027)	5,097	81	831	–	(104)	–	–	–	8,052	(2,147)	5,905
Other assets:													
– Library books	1,142	(997)	145	40	–	–	(29)	–	–	–	1,182	(1,026)	156
– Other	1,004	(94)	910	200	–	–	–	86	–	–	1,290	(94)	1,196
Reinstatement, rehabilitation and restoration assets (refer Note 14):													
– Tip assets	431	(382)	49	–	–	–	(48)	–	–	–	431	(430)	1
Total Infrastructure, property, plant and equipment	549,656	(161,676)	387,980	9,933	7,359	(1,367)	(8,669)	–	–	1,111	561,952	(165,604)	396,348

(1) Total written down values have been adjusted by \$5.26m which represents the recognition of assets found during revaluation that were not in the asset register.

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

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Financial Statements 2020

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. Independent valuations are performed at least every five years, however the carrying amount of assets is assessed at each reporting date to confirm that it is not materially different from current fair value.

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

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

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

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
Water and sewer assets		Stormwater assets	
Dams and reservoirs	80 to 100	Drains	80 to 100
Bores	20 to 40	Culverts	50 to 80
Reticulation pipes: PVC	70 to 80	Flood control structures	80 to 100
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 20		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	20	Bulk earthworks	20
Sealed roads: structure	50	Swimming pools	50
Unsealed roads	20	Unsealed roads	20
Bridge: concrete	100	Other open space/recreational assets	20
Bridge: other	50	Other infrastructure	20
Road pavements	60		
Kerb, gutter and footpaths	40		

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

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

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Notes to the Financial Statements

for the year ended 30 June 2020

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

Crown reserves

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

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

Rural Fire Service assets

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

Council recognises rural fire service assets for land and buildings.

In accordance with the requirements of AASB 116 - *Property, Plant and Equipment*, Council has critically examined whether they control any rural fire-fighting equipment and have determined that Rural Fire Service is a Controlling Authority. Consequently ERC has not brought into account in the financial statements any rural fire service plant and equipment assets that have been vested in Council.

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

	as at 30/06/20			as at 30/06/19		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount Restated	Accumulated depn. and impairment	Net carrying amount Restated
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Water supply						
Plant and equipment	102	102	—	102	102	—
Office equipment	5	5	—	5	5	—
Infrastructure	58,983	25,716	33,267	59,230	22,374	36,856
Total water supply	59,090	25,823	33,267	59,337	22,481	36,856
Sewerage services						
Plant and equipment	46	43	3	46	43	3
Office equipment	4	4	—	4	4	—
Infrastructure	56,529	26,284	30,245	56,085	22,380	33,705
Total sewerage services	56,579	26,331	30,248	56,135	22,427	33,708
TOTAL RESTRICTED IPP&E	115,669	52,154	63,515	115,472	44,908	70,564

Edward River Council

Financial Statements 2020

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

Note 11. Intangible assets

Intangible assets are as follows:

	2020 \$ '000	2019 \$ '000
Software		
Opening values at 1 July		
Gross book value	896	896
Accumulated amortisation	(864)	(732)
Net book value – opening balance	32	164
Movements for the year		
– Amortisation charges	(32)	(132)
Closing values at 30 June		
Gross book value	896	896
Accumulated amortisation	(896)	(864)
Total software – net book value	–	32
<u>TOTAL INTANGIBLE ASSETS – NET BOOK VALUE</u>	<u>–</u>	<u>32</u>

Accounting policy for intangible assets

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

Costs capitalised include external direct costs of materials and service, direct payroll, and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis over periods generally ranging from three to five years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility, and where Council has an intention and ability to use the asset.

Edward River Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Contract assets and liabilities

		2020 Current \$ '000	2020 Non-current \$ '000
	Notes		
(a) Contract liabilities			
Grants and contributions received in advance:			
Unexpended capital grants (to construct Council controlled assets)	(i)	956	–
Total grants received in advance		956	–
Total contract liabilities		956	–

Notes

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

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

	2020 Current \$ '000	2020 Non-current \$ '000
(i) Contract liabilities relating to restricted assets		
Total contract liabilities relating to unrestricted assets	956	–
Total contract liabilities	956	–
		2020 \$ '000

(ii) Revenue recognised (during the financial year) from opening contract liability balances**Grants and contributions received in advance:**

Capital grants (to construct Council controlled assets)	4,234
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Total Revenue recognised during the financial year that was included in the contract liability balance at the beginning of the period	4,234
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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.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Contract assets and liabilities (continued)

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.

(b) Contract cost assets

Council did not incur any material costs to fulfill a contract during the year, therefore had no contract cost assets as at 30 June 2020.

Accounting policy for contract cost assets

Council recognises assets relating to the costs incurred to fulfil a contract that are directly related to the contract provided they will be recovered through performance of the contract.

Costs to fulfill a contract

Where costs are incurred to fulfil a contract, they are accounted for under the relevant accounting standard (if appropriate), otherwise if the costs relate directly to a contract, the costs generate or enhance resources of Council that will be used to satisfy performance obligations in the future and the costs are expected to be recovered then they are capitalised as contract costs assets and released to the income statement on a systematic basis consistent with the transfer to the customer of the goods or services to which the asset relates.

Edward River Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Payables and borrowings

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
Payables				
Prepaid rates	412	–	–	–
Goods and services – operating expenditure	351	–	810	–
Goods and services – capital expenditure	1,158	–	545	–
Accrued expenses:				
– Salaries and wages	128	–	146	–
– Other expenditure accruals	1,377	–	342	–
Long service levy	22	–	21	–
Rural fire service liability	81	–	81	–
Security bonds, deposits and retentions	436	50	218	50
ATO – net GST payable	–	–	100	–
Workers compensation	72	–	68	–
Other	55	–	9	–
Total payables	4,092	50	2,340	50
Income received in advance				
Payments received in advance	–	–	51	–
Total income received in advance	–	–	51	–
<u>TOTAL PAYABLES AND BORROWINGS</u>	<u>4,092</u>	<u>50</u>	<u>2,391</u>	<u>50</u>

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
(a) Payables and borrowings relating to restricted assets				
Externally restricted assets				
Water	84	–	5	–
Sewer	144	–	144	–
Payables and borrowings relating to externally restricted assets	228	–	149	–
Total payables and borrowings relating to restricted assets	228	–	149	–
Total payables and borrowings relating to unrestricted assets	3,864	50	2,242	50
<u>TOTAL PAYABLES AND BORROWINGS</u>	<u>4,092</u>	<u>50</u>	<u>2,391</u>	<u>50</u>

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Payables and borrowings (continued)

	2020 \$ '000	2019 \$ '000
(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.		
Payables – security bonds, deposits and retentions	50	50
Total payables and borrowings	50	50

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, accrued expenses and bonds for development applications.

Payables

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

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective-interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

Edward River Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Provisions

	2020 Current \$ '000	2020 Non-current \$ '000	2019 Current \$ '000	2019 Non-current \$ '000
Provisions				
Employee benefits				
Annual leave	786	–	683	–
Sick leave	174	–	211	–
Long service leave	1,698	143	1,483	275
RDO leave	64	–	31	–
Time in lieu leave	10	–	8	–
ELE on-costs	144	6	113	10
Sub-total – aggregate employee benefits	2,876	149	2,529	285
Asset remediation/restoration:				
Asset remediation/restoration (future works)	261	273	226	297
Sub-total – asset remediation/restoration	261	273	226	297
TOTAL PROVISIONS	3,137	422	2,755	582

(a) Provisions relating to restricted assets

Total provisions relating to restricted assets	–	–	–	–
Total provisions relating to unrestricted assets	3,137	422	2,755	582
TOTAL PROVISIONS	3,137	422	2,755	582

	2020 \$ '000	2019 \$ '000
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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	2,109	2,079
	2,109	2,079

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Provisions (continued)

(c) Description of and movements in provisions

	ELE provisions					Total \$ '000
	Annual leave \$ '000	Sick leave \$ '000	Long service leave \$ '000	ELE on-costs \$ '000	Other employee benefits \$ '000	
2020						
At beginning of year	683	211	1,758	123	39	2,814
Additional provisions	619	233	145	27	–	1,024
Amounts used (payments)	(539)	(283)	(193)	–	–	(1,015)
Other	23	13	131	–	35	202
Total ELE provisions at end of year	786	174	1,841	150	74	3,025
2019						
At beginning of year	676	226	1,524	108	66	2,600
Additional provisions	526	208	227	16	36	1,013
Amounts used (payments)	(544)	(240)	(131)	–	–	(915)
Remeasurement effects	24	17	138	–	–	179
Other	–	–	–	(1)	(62)	(63)
Total ELE provisions at end of year	682	211	1,758	123	40	2,814

	Other provisions	
	Asset remediation \$ '000	Total \$ '000
2020		
At beginning of year	523	523
Remeasurement effects	11	11
Total other provisions at end of year	534	534
2019		
At beginning of year	511	511
Remeasurement effects	12	12
Total other provisions at end of year	523	523

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Edward River Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Provisions (continued)

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.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Provisions (continued)

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.

Edward River Council

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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**(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**Nature of prior-period error**

1. Accrued income relating to water meter readings was processed twice in error as at 30 June 2019, resulting in both income and receivables - user charges and fees for 2019 being overstated by \$375k.
2. As part of its revaluation of IPPE as at 29 February 2020, council discovered assets with a total written down value \$5.26m that it did not have on its asset registers. These "found" assets consisted of Other Open Space/ Recreation Assets \$1.77m and Operating Land \$3.49m. Council has decided to bring in these assets as prior period error by restating the asset and equity balances for previous periods.

The errors for IPPE identified above have been corrected by restating the balances at the beginning of the earliest period presented (1 July 2018) and taking the adjustment through to accumulated surplus at that date.

Comparatives have been changed to reflect the correction of errors. The impact on each line item is shown in the tables below.

Changes to the opening Statement of Financial Position at 1 July 2018**Statement of Financial Position**

	Original Balance 1 July, 2018 \$ '000	Impact Increase/ (decrease) \$ '000	Restated Balance 1 July, 2018 \$ '000
Infrastructure, property, plant and equipment	382,724	5,256	387,980
Total assets	432,410	5,256	437,666
Net assets	425,027	5,256	430,283
Accumulated Surplus	425,027	5,256	430,283
Total equity	425,027	5,256	430,283

Adjustments to the comparative figures for the year ended 30 June 2019**Statement of Financial Position**

	Original Balance 30 June, 2019 \$ '000	Impact Increase/ (decrease) \$ '000	Restated Balance 30 June, 2019 \$ '000
Receivables	3,606	(375)	3,231
Infrastructure, property, plant and equipment	391,092	5,256	396,348
Total assets	444,091	4,881	448,972
Net assets	438,313	4,881	443,194
Accumulated surplus	437,202	4,881	442,083
Total equity	438,313	4,881	443,194

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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)**Income Statement**

	Original Balance 30 June, 2019 \$ '000	Impact Increase/ (decrease) \$ '000	Restated Balance 30 June, 2019 \$ '000
User charges and fees	4,812	(375)	4,437
Total income from continuing operations	39,448	(375)	39,073
Net operating result for the year	12,175	(375)	11,800

Statement of Comprehensive Income

	Original Balance 30 June, 2019 \$ '000	Impact Increase/ (decrease) \$ '000	Restated Balance 30 June, 2019 \$ '000
Net operating result for the year	12,175	(375)	11,800
Total comprehensive income for the year	13,286	(375)	12,911

(c) Changes in accounting policies due to adoption of new accounting standards

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:

Adjustments to the current year figures for the year ended 30 June 2020**Statement of Financial Position****(ii) AASB 15 and AASB 1058**

The following approach has been applied on transition to AASB 15 and AASB 1058:

- Council has not adopted the completed contract expedient and therefore has not excluded revenue which was fully recognised in previous years in accordance with the former accounting standards and pronouncements
- Council has retrospectively restated contracts for modifications that occurred before 1 July 2019 unless such contract modification were minor.

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 released through profit and loss on the same basis as the revenue is recognised.

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

Grants – capital

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

Changes in presentation

In addition to the above changes in accounting policies, the Council has not amended the presentation of certain items to align them with the requirements of AASB 15 and AASB 1058 due to the immaterial values arising out of the changes.

	Balance at 1 July 2019
\$ '000	
Opening contract balances at 1 July 2019	
Contract assets	
– Under AASB 15	–
– Under AASB 1058	–
Total Contract assets	–
Contract liabilities	
– Under AASB 15	4,634
– Under AASB 1058	–
Total Contract liabilities	<u>4,634</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

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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	Remeasur- ement	Carrying amount under previous revenue standards	Notes
Current assets					
Cash and cash equivalents	12,902	–	–	12,902	
Investments	31,750	–	–	31,750	
Receivables	4,054	–	–	4,054	
Other	62	–	–	62	
Total current assets	48,768	–	–	48,768	
Current liabilities					
Payables	4,092	–	–	4,092	
Contract liabilities	956	–	(956)	–	
Provisions	3,137	–	–	3,137	
Total current liabilities	8,185	–	(956)	7,229	
Non-current assets					
Infrastructure, property, plant and equipment	440,606	–	–	440,606	
Investments accounted for using equity method	346	–	–	346	
Total non-current assets	440,952	–	–	440,952	
Non-current liabilities					
Payables	50	–	–	50	
Provisions	422	–	–	422	
Total Non-current liabilities	472	–	–	472	
Net assets	481,063	–	956	482,019	
Equity					
Accumulated surplus	432,908	–	956	433,864	
Revaluation reserves	48,155	–	–	48,155	
Council equity interest	481,063	–	956	482,019	
Total equity	481,063	–	956	482,019	

Creation of contract liabilities under AASB 15 and AASB 1058 due to funds which have been received prior to the satisfaction of performance obligations. These were recognised as income on receipt under previous accounting standards.

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	Notes
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Income from continuing operations

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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	Income Statement and comprehensive income under AASB 15 and AASB 1058	Reclassification	Remeasurement	Income Statement and comprehensive income under previous revenue standards	Notes
Rates and annual charges	13,074	–	–	13,074	
User charges and fees	7,114	–	–	7,114	
Other revenues	504	–	–	504	
Grants and contributions provided for operating purposes	8,584	–	–	8,584	
Grants and contributions provided for capital purposes	8,220	–	(3,678)	4,542	
Interest and investment income	912	–	–	912	
Total Income from continuing operations	38,408	–	(3,678)	34,730	
Expenses from continuing operations					
Employee benefits and on-costs	9,155	–	–	9,155	
Borrowing costs	10	–	–	10	
Materials and contracts	6,230	–	–	6,230	
Depreciation and amortisation	8,982	–	–	8,982	
Other expenses	4,517	–	–	4,517	
Net losses from the disposal of assets	2,598	–	–	2,598	
Revaluation decrement / impairment of IPP&E	11,367	–	–	11,367	
Net share of interests in joint ventures and associates using the equity method	10	–	–	10	
Total Expenses from continuing operations	42,869	–	–	42,869	
Total Operating result from continuing operations	(4,461)	–	(3,678)	(8,139)	
Net operating result for the year	(4,461)	–	(3,678)	(8,139)	
Total comprehensive income	42,503	–	–	42,503	

Difference in revenue treatment between recognition upon receipt under the old standards and recognition when performance obligations are met under AASB 15 and AASB 1058.

Adjustments to the current year figures for the year ended 30 June 2019**Statement of Financial Position**

\$ '000	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
Contract assets	–	–	–
Total assets	444,091	–	444,091
Contract liabilities	–	4,634	4,634
Total liabilities	5,778	4,634	10,412

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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	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
Accumulated surplus	437,202	(4,634)	432,568
Total equity	438,313	(4,634)	433,679

Edward River Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. Statement of cash flow information

	Notes	2020 \$ '000	2019 \$ '000
(a) Reconciliation of cash and cash equivalents			
Total cash and cash equivalents per Statement of Financial Position	7(a)	12,902	19,456
Balance as per the Statement of Cash Flows		12,902	19,456
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		(4,461)	11,800
Adjust for non-cash items:			
Depreciation and amortisation		8,982	8,801
Net losses/(gains) on disposal of assets		2,598	1,208
Adoption of AASB 15/1058		(4,634)	–
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– Revaluation decrements / impairments of IPP&E direct to P&L		11,367	–
Share of net (profits)/losses of associates/joint ventures using the equity method		10	(72)
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(459)	1,238
Increase/(decrease) in provision for impairment of receivables		41	17
Decrease/(increase) in other current assets		(12)	(25)
Increase/(decrease) in payables		(459)	427
Increase/(decrease) in other accrued expenses payable		1,017	41
Increase/(decrease) in other liabilities		530	(105)
Increase/(decrease) in contract liabilities		956	–
Increase/(decrease) in provision for employee benefits		211	214
Increase/(decrease) in other provisions		11	12
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		15,698	23,556

Edward River Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 17. Interests in other entities

	Council's share of net income		Council's share of net assets	
	2020 \$ '000	2019 \$ '000	2020 \$ '000	2019 \$ '000
Associates *	(10)	72	346	841
Total	(10)	72	346	841

(*) Central Murray County Council was dissolved on 1 July 2019

Associates

(a) Net carrying amounts – Council's share

	Nature of relationship	Measurement method	2020 \$ '000	2019 \$ '000
Central Murray Regional Library	Associate	% Net assets	346	426
Central Murray County Council *	Associate	% Net assets	–	415
Total carrying amounts – material associates			346	841

(*) Central Murray County Council was dissolved on 1 July 2019

(b) Details

	Principal activity	Place of business
Central Murray Regional Library	Provision of Library Services	Deniliquin
Central Murray County Council *	Noxious Weeds Control	Deniliquin

(*) Central Murray County Council was dissolved on 1 July 2019

(c) Relevant interests and fair values

	Quoted fair value		Interest in outputs		Interest in ownership		Proportion of voting power	
	2020 \$ '000	2019 \$ '000	2020 %	2019 %	2020 %	2019 %	2020 %	2019 %
Central Murray Regional Library	346	426	87%	87%	87%	87%	50%	50%
Central Murray County Council *	–	415	0%	36%	0%	36%	0%	33%

(*) Central Murray County Council was dissolved on 1 July 2019

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 17. Interests in other entities (continued)

(d) Summarised financial information for associates

	Central Murray Regional Library		Central Murray County Council	
	2020	2019	2020	2019
	\$ '000	\$ '000	\$ '000	\$ '000
Statement of financial position				
Current assets				
Cash and cash equivalents	331	400	–	318
Other current assets	–	–	–	77
Non-current assets	166	193	–	865
Current liabilities				
Current financial liabilities (excluding trade and other payables and provisions)	–	–	–	34
Other current liabilities	99	103	–	73
Net assets	398	490	–	1,153
Reconciliation of the carrying amount				
Opening net assets (1 July)	490	449	1,153	1,051
Profit/(loss) for the period	(11)	41	–	102
Other adjustments to equity	(81)	–	(1,153)	–
Closing net assets	398	490	–	1,153
Council's share of net assets (%)	87%	87%	0%	36%
Council's share of net assets (\$)	346	426	–	415
Statement of comprehensive income				
Income	478	486	–	1,024
Interest income	6	10	–	9
Depreciation and amortisation	(67)	(37)	–	(100)
Interest expense	–	(6)	–	–
Other expenses	(428)	(412)	–	(831)
Profit/(loss) from continuing operations	(11)	41	–	102
Profit/(loss) for period	(11)	41	–	102
Total comprehensive income	(11)	41	–	102
Share of income – Council (%)	87%	87%	0%	36%
Profit/(loss) – Council (\$)	(10)	36	–	37
Total comprehensive income – Council (\$)	(10)	36	–	37
Dividends received by Council	–	–	405	–

(1) Central Murray County Council was dissolved on 1 July 2019

Accounting policy for associates

Interests in associates are accounted for using the equity method in accordance with *AASB128 Investments in Associates and Joint Ventures*. Under this method, the investment is initially recognised as a cost and the carrying amount is increased or decreased to recognise the Council's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

If the Council's share of losses of an associate equals or exceeds its interest in the associate, the Council discontinues recognising its share of further losses. The Council's share in the associates gains or losses arising from transactions between itself and its associate are eliminated.

Adjustments are made to the associates accounting policies where they are different from those of the Council for the purposes of the consolidated financial statements.

Edward River Council

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 18. Commitments

	2020	2019
	\$ '000	\$ '000

Capital commitments (exclusive of GST)

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Property, plant and equipment

Buildings	542	417
Open space and recreational assets	200	300
Water infrastructure	486	628
Sewer infrastructure	338	434
Roads	250	194
Motor vehicles and major plant acquisitions	555	1,508
ERC Merger projects	2,323	–
Total commitments	4,694	3,481

These expenditures are payable as follows:

Within the next year	4,694	3,481
Total payable	4,694	3,481

Sources for funding of capital commitments:

Unrestricted general funds	1,547	2,419
Externally restricted reserves	3,147	1,062
Total sources of funding	4,694	3,481

Details of capital commitments

Commitments exist for various stronger communities grant funded projects, roads, water and sewer projects.

Edward River Council

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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 participates in an employer-sponsored defined benefit superannuation scheme, and makes contributions as determined by the superannuation scheme's trustees.

Member councils bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due.

The Local Government Superannuation Scheme however is unable to provide Council with an accurate estimate of its share of the net deficit and accordingly Council has not recorded any net liability from its defined benefit scheme obligations in accordance with AASB 119.

Future contributions made to the defined benefit scheme to rectify the net deficit position will be recognised as an expense when they become payable – similar to the accounting for defined contributions plans.

Member councils are treated as Pooled Employers for the purpose of AASB119. Pooled Employers are required to pay standard employer contributions and additional lump sum contributions to the Fund.

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

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

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

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

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

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 entity.

There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on wind-up. There is no provision for allocation of any surplus which may be present at the date of withdrawal of an employer.

The plan is a defined benefit plan. However, 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). As such, there is not sufficient reliable information to allow each sponsoring employer to account for its proportionate share of the defined benefit obligation, sub-group assets and costs associated with the sub-group in the same way as it would for a single employer sponsored defined benefit plan.

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of superannuation expenses at Note 5 (a) for the year ending 30 June 2020 was \$147,474.

The last valuation of the scheme was performed by Mr Richard Boyfield FIAA (AFS Licence # 411770) on 30/06/2019.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Contingencies (continued)

Council's expected contribution to the Fund for the next annual reporting period is \$137,183.88.
The estimated employer reserves financial position for the Pooled Employers at 30 June 2020 is:

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

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

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

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.

Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the final end of year review will be completed around November/December 2020.

Council's additional lump sum contribution per annum of 0.26% of the total additional lump sum contributions for all Pooled Employers (of \$40m for each year from 1 July 2019 to 30 June 2021) provides an indication of the level of participation of Council compared with other employers in the Pooled Employer sub 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 June 2020 may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(iii) StateCover Limited

StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

(iv) Other guarantees

Council has provided no other guarantees other than those listed above.

2. Other liabilities**(i) Third party claims**

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

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Contingencies (continued)

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

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

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

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

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

ASSETS NOT RECOGNISED**(i) Land under roads**

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

Edward River Council

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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 (1) price risk, (2) credit risk, (3) liquidity risk and (4) interest rate risk.

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

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

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

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

	Carrying value 2020 \$ '000	Carrying value 2019 Restated \$ '000	Fair value 2020 \$ '000	Fair value 2019 Restated \$ '000
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	12,902	19,456	12,902	19,456
Receivables	4,054	3,231	3,734	3,231
Investments				
– 'Financial assets at amortised cost'	31,750	29,014	31,750	29,014
Total financial assets	48,706	51,701	48,386	51,701
Financial liabilities				
Payables	4,142	2,390	3,449	2,390
Total financial liabilities	4,142	2,390	3,449	2,390

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

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors.

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

The risks associated with the instruments held are:

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

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

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Financial risk management (continued)

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

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

	Increase of values/rates		Decrease of values/rates	
	Profit \$ '000	Equity \$ '000	Profit \$ '000	Equity \$ '000
2020				
Possible impact of a 1% movement in interest rates	359	359	(359)	(359)
2019				
Possible impact of a 1% movement in interest rates	389	389	(389)	(389)

(b) Credit risk

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures. Council also encourages ratepayers to pay their rates by the due date through incentives.

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

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

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

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

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

Credit risk profile

Receivables – rates and annual charges

Credit risk on rates and annual charges is minimised by the ability of Council to 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.

	Not yet overdue \$ '000	< 1 year overdue \$ '000	1 - 2 years overdue \$ '000	2 - 5 years overdue \$ '000	> 5 years overdue \$ '000	Total \$ '000
2020						
Gross carrying amount	–	853	154	194	88	1,289
2019						
Gross carrying amount	–	351	154	127	51	683

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.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Financial risk management (continued)

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

	Not yet overdue ¹ \$ '000	0 - 30 days overdue \$ '000	31 - 60 days overdue \$ '000	61 - 90 days overdue \$ '000	> 91 days overdue \$ '000	Total \$ '000
2020						
Gross carrying amount	1,447	76	149	543	834	3,049
Expected loss rate (%)	4.05%	13.28%	23.81%	6.48%	18.92%	9.75%
ECL provision	59	10	35	35	158	297
2019 Restated						
Gross carrying amount	786	74	147	730	1,054	2,791
Expected loss rate (%)	0.37%	3.34%	6.49%	3.85%	18.84%	8.66%
ECL provision	3	2	10	28	198	241

(1) 2019 balance reduced by \$375k reflecting correction of overstated debtors.

(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.

	Weighted average interest rate %	Subject to no maturity \$ '000	≤ 1 Year \$ '000	payable in: 1 - 5 Years \$ '000	> 5 Years \$ '000	Total cash outflows \$ '000	Actual carrying values \$ '000
2020							
Trade/other payables	0.00%	486	3,244	–	–	3,730	3,730
Total financial liabilities		486	3,244	–	–	3,730	3,730
2019							
Trade/other payables	0.00%	218	2,138	50	–	2,406	2,391
Total financial liabilities		218	2,138	50	–	2,406	2,391

Edward River Council

Financial Statements 2020

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 27/06/2019 and is unaudited.

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

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

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

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

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
REVENUES				
Rates and annual charges	12,895	13,074	179	1% F
User charges and fees	3,348	7,114	3,766	112% F
This is related to RMS ordered works that were under budgeted and can be difficult to predict for budgeting purposes due to significant work on Riverina Highway.				
Other revenues	575	504	(71)	(12)% U
Operating grants and contributions	7,447	8,584	1,137	15% F
600K was unbudgeted for funding received for additional Ute Muster grant income. Increase in actuals for Financial Assistance Grants and Noxious weeds grant income was unbudgeted due to the dissolution of Central Murray County Council. Higher pensions rates subsidy than budgeted as well.				
Capital grants and contributions	1,275	8,220	6,945	545% F
Additional Roads to recovery grant received above budget, some stronger communities grant income was also not originally included in the budget but was subsequently received. New funding for the NSW Showground stimulus funding. Additional stronger country communities grant income for ongoing projects. Due to restating capital grants from 18/19 under AASB 15, we have increased income not included in budget.				
Interest and investment revenue	825	912	87	11% F
Similar to prior years, the budget was set conservatively on the lower end of the estimate for investment income. In addition, Councils Investment portfolio balances during were higher than expected due to receipt of additional Grants and higher user charges and fees receipts.				
Joint ventures and associates – net profits	–	–	–	∞ F
EXPENSES				
Employee benefits and on-costs	9,219	9,155	64	1% F
Borrowing costs	–	10	(10)	∞ U
Materials and contracts	3,523	6,230	(2,707)	(77)% U
Expenditure was higher than anticipated during the year and therefore budgets were increased for contractors to cover carry forwards budgets for merger and grant funded projects. This also increased due to the higher than expected RMS ordered works noted in User charges and fees.				
Depreciation and amortisation	8,610	8,982	(372)	(4)% U
Other expenses	3,405	4,517	(1,112)	(33)% U
Payments of \$1M to Deni Play on the Plains (Ute Muster) has been made as donation and this was not included in the budget.				

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Material budget variations (continued)

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
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This is due to the fact that the asset is not ours and we are acting as an agent and only passing the grant from the funding body to the committee.

Net losses from disposal of assets	–	2,598	(2,598)	∞	U
---	---	-------	---------	---	----------

Disposal of infrastructure assets which were replaced during the year whilst they still had written down values. This was not included in the original budget.

Revaluation decrement / impairment of IPP&E	–	11,367	(11,367)	∞	U
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Revaluation was not included in the budget and had not been previously done for a period of 5 years so was larger than would occur every 3 years

Joint ventures and associates – net losses	–	10	(10)	∞	U
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One joint venture ceased operation on 30 June 2019, Library had a redundancy which put the venture into a loss, this was not budgeted for.

STATEMENT OF CASH FLOWS

Cash flows from operating activities	13,419	15,698	2,279	17%	F
Increase in grant funding across the board during the year.					
Cash flows from investing activities	(20,171)	(22,252)	(2,081)	10%	U
Cash flows from financing activities	–	–	–	∞	F

Edward River Council

Financial Statements 2020

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

Note 22. Fair Value Measurement

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

– Infrastructure, property, plant and equipment

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

2020	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/17	—	—	5,527	5,527
Office equipment	30/06/17	—	—	353	353
Furniture and fittings	30/06/17	—	—	54	54
Operational land	29/02/20	—	—	7,626	7,626
Community land	29/02/20	—	—	3,074	3,074
Crown lands	29/02/20	—	—	13,403	13,403
Land improvements – depreciable	29/02/20	—	—	3,363	3,363
Buildings – non-specialised	29/02/20	—	—	10,919	10,919
Buildings – specialised	29/02/20	—	—	33,856	33,856
Other structures	29/02/20	—	—	17,145	17,145
Roads	29/02/20	—	—	178,567	178,567
Bridges	29/02/20	—	—	7,159	7,159
Footpaths and kerb	29/02/20	—	—	16,601	16,601
Other road assets	29/02/20	—	—	3,881	3,881
Bulk earthworks	29/02/20	—	—	33,092	33,092
Stormwater drainage	29/02/20	—	—	25,070	25,070
Water supply network	29/02/20	—	—	34,567	34,567
Sewerage network	29/02/20	—	—	30,245	30,245
Swimming pools	29/02/20	—	—	4,141	4,141
Other open spaces/recreational assets	29/02/20	—	—	5,148	5,148
Library books	30/06/17	—	—	137	137
Total infrastructure, property, plant and equipment		—	—	433,928	433,928

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

Note 22. Fair Value Measurement (continued)

	Date of latest valuation	Fair value measurement hierarchy			Total Restated
		Level 1 Quoted prices in active mkt	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
2019				Restated	
Recurring fair value measurements					
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/17	–	–	4,533	4,533
Office equipment	30/06/17	–	–	343	343
Furniture and fittings	30/06/17	–	–	73	73
Operational land	30/06/15	–	–	5,187	5,187
Community land	30/06/15	–	–	3,346	3,346
Crown lands	30/06/15	–	–	9,025	9,025
Land improvements – depreciable	30/06/15	–	–	2,968	2,968
Buildings – non-specialised	30/06/15	–	–	11,128	11,128
Buildings – specialised	30/06/15	–	–	36,840	36,840
Other structures	30/06/15	–	–	17,891	17,891
Roads	30/06/15	–	–	143,892	143,892
Bridges	30/06/15	–	–	4,834	4,834
Footpaths and kerb	30/06/15	–	–	15,836	15,836
Other road assets	30/06/15	–	–	3,234	3,234
Bulk earthworks	30/06/15	–	–	27,471	27,471
Stormwater drainage	30/06/15	–	–	21,164	21,164
Water supply network	30/06/17	–	–	36,856	36,856
Sewerage network	30/06/17	–	–	33,705	33,705
Swimming pools	30/06/15	–	–	3,427	3,427
Other open spaces/recreational assets	30/06/15	–	–	4,133	4,133
Library books	30/06/15	–	–	156	156
Total infrastructure, property, plant and equipment		–	–	387,239	387,239

Note that capital WIP is not included above since it is carried at cost.

(2) 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 and Equipment - This class of asset category is not valued at fair value. The category is at depreciated historical cost, but is disclosed as fair value.

Office Equipment - Same as Plant and Equipment above.

Furniture and Fittings - Same as Plant and Equipment above.

Operational Land - The latest valuation was conducted by APV Valuers during the 2019/20 financial year.

The valuation method used is in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines). Operational Land should be valued at market value after considering the buyers and sellers in the market and, where possible, include elements such as zoning limitations, alternative use and size of the land.

Sources of data used when determining revaluations include: Actual sales evidence, mapping evidence, PDSLIVE property searches, Benchmarking, APV database of recent projects and on-site visits.

The total amount for Operational Land includes \$945,000 worth of assets which APV Valuers did not include in their revaluation. Council has included these at their carrying value and intends to revalue them in the 2020/21 year.

Community Land - The latest valuation was conducted by APV Valuers during the 2019/20 financial year.

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Fair Value Measurement (continued)

The valuation method used is in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines). Council is unable to provide neither observable nor unobservable valuation techniques and therefore it is reported as a Level 3.

Sources of data used when determining revaluations include: Actual sales evidence, mapping evidence, PDSLive property searches, Benchmarking, APV database of recent projects and on-site visits.

Crown Land - Same as Community Land above.

Land Improvements (Depreciable) - The latest valuation was conducted by APV Valuers during the 2019/20 financial year. The valuation method is based on determining the Replacement Cost of the modern equivalent (or cost of reproduction where relevant) and then adjusting for the level of consumed future economic benefit and impairment.

Sources of data used when determining revaluations include: Actual sales evidence, mapping evidence, Rawlinson's Construction Guide, Benchmarking, APV database of recent projects and on-site visits.

Buildings (Non - Specialised) - The latest valuation was conducted by APV Valuers during the 2019/20 financial year. The valuation method is based on determining the Replacement Cost of the modern equivalent (or cost of reproduction where relevant) and then adjusting for the level of consumed future economic benefit and impairment.

In accordance with the depreciation requirements of AASB 116, "complex assets" are componentised and depreciated separately. This is consistent with the AASB's May 2015 decision regarding residual value.

Sources of data used when determining revaluations include: Actual sales evidence, mapping evidence, Rawlinson's Construction Guide (or similar), Benchmarking, APV database of recent projects and on-site visits.

The total amount for Buildings (Non-Specialised) includes \$4,668,387 worth of assets which APV Valuers did not include in their revaluation. Council has included these at their carrying value and intends to revalue them in the 2020/21 year.

Buildings (Specialised) - The latest valuation was conducted by APV Valuers during the 2019/20 financial year.

The total amount for Buildings (Specialised) includes \$65,414 worth of assets which APV Valuers did not include in their revaluation. Council has included these at their carrying value and intends to revalue them in the 2020/21 year.

Refer to Buildings (Non-Specialised) above for valuation method and data sources.

Other Structures - The latest valuation was conducted by APV Valuers during the 2019/20 financial year.

The valuation method is based on determining the Replacement Cost of the modern equivalent (or cost of reproduction where relevant) and then adjusting for the level of consumed future economic benefit and impairment.

In accordance with the depreciation requirements of AASB 116, "complex assets" are componentised and depreciated separately (splitting each component into the short and long life parts). This is consistent with the AASB's May 2015 decision regarding residual value.

Sources of data used when determining revaluations include: Actual sales evidence, mapping evidence, Rawlinson's Construction Guide, Benchmarking, APV database of recent projects and on-site visits.

Roads & Bulk Earthworks - The latest valuation was conducted by APV Valuers during the 2019/20 financial year.

The valuation method is based on determining the Replacement Cost of the modern equivalent (or cost of reproduction where relevant) and then adjusting for the level of consumed future economic benefit and impairment.

In accordance with the depreciation requirements of AASB 116, "complex assets" are componentised and depreciated separately (splitting each component into the short and long life parts). This is consistent with the AASB's May 2015 decision regarding residual value.

Sources of data used when determining revaluations include: Actual construction or purchase prices, mapping evidence, Rawlinson's Construction Guide (or similar), Benchmarking, APV database of recent projects and on-site visits.

The total amount for Roads & Bulk Earthworks includes \$3,949 worth of assets which APV Valuers did not include in their revaluation. Council has included these at their carrying value and intends to revalue them in the 2020/21 year.

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Fair Value Measurement (continued)

Bridges - The latest valuation was conducted by APV Valuers during the 2019/20 financial year. Refer to Roads above for valuation method and data sources.

Footpaths - The latest valuation was conducted by APV Valuers during the 2019/20 financial year. Refer to Roads above for valuation method and data sources.

The total amount for Footpaths includes \$27,516 worth of assets which APV Valuers did not include in their revaluation. Council has included these at their carrying value and intends to revalue them in the 2020/21 year.

Stormwater - The latest valuation was conducted by APV Valuers during the 2019/20 financial year. Refer to Roads above for valuation method and data sources.

The total amount for Stormwater includes \$98,064 worth of assets which APV Valuers did not include in their revaluation. Council has included these at their carrying value and intends to revalue them in the 2020/21 year.

Water Supply Network - The latest valuation was conducted by APV Valuers during the 2019/20 financial year.

The valuation method is based on determining the Replacement Cost of the modern equivalent (or cost of reproduction where relevant) and then adjusting for the level of consumed future economic benefit and impairment.

In accordance with the depreciation requirements of AASB 116, "complex assets" are componentised and depreciated separately (splitting each component into the short and long life parts). This is consistent with the AASB's May 2015 decision regarding residual value.

Sources of data used when determining revaluations include: Actual construction or purchase prices, mapping evidence, Rawlinson's Construction Guide (or similar), Benchmarking, APV database of recent projects and on-site visits.

Sewer Network - The latest valuation was conducted by APV Valuers during the 2019/20 financial year. Refer to Water Supply Network above for valuation method and data sources.

The total amount for Sewerage Network includes \$7,723 worth of assets which APV Valuers did not include in their revaluation. Council has included these at their carrying value and intends to revalue them in the 2020/21 year.

Swimming Pools - The latest valuation was conducted by APV Valuers during the 2019/20 financial year.

The valuation method is based on determining the Replacement Cost of the modern equivalent (or cost of reproduction where relevant) and then adjusting for the level of consumed future economic benefit and impairment.

In accordance with the depreciation requirements of AASB 116, "complex assets" are componentised and depreciated separately (splitting each component into the short and long life parts). This is consistent with the AASB's May 2015 decision regarding residual value.

Sources of data used when determining revaluations include: Actual sales evidence, mapping evidence, Rawlinson's Construction Guide (or similar), Benchmarking, APV database of recent projects and on-site visits.

Other Open Spaces/ Recreational Assets - The latest valuation was conducted by APV Valuers during the 2019/20 financial year. Refer to Swimming Pools above for valuation method and data sources.

The total amount for Other Open Spaces/ Recreational Assets includes \$63,606 worth of assets which APV Valuers did not include in their revaluation. Council has included these at their carrying value and intends to revalue them in the 2020/21 year.

Library Books - Same as Plant and Equipment above.

Other Assets - Refer to Swimming Pools above for valuation method and data sources.

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Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Fair Value Measurement (continued)

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

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

	Plant and equipment \$ '000	Office equipment \$ '000	Furniture and fittings \$ '000	Operational land Restated \$ '000	Community Land \$ '000
2019					
Opening balance	5,071	345	98	4,979	3,346
Transfers from/(to) another asset class	—	—	—	(407)	—
Purchases (GBV)	699	—	4	611	—
Disposals (WDV)	(71)	—	—	—	—
Depreciation and impairment	(1,166)	(109)	(29)	—	—
Adjustments and transfers	—	107	—	4	—
Closing balance	4,533	343	73	5,187	3,346
2020					
Opening balance	4,533	343	73	5,187	3,346
Purchases (GBV)	2,216	91	6	—	—
Disposals (WDV)	(71)	—	—	—	—
Depreciation and impairment	(1,151)	(81)	(25)	—	(272)
FV gains – other comprehensive income	—	—	—	2,439	—
Closing balance	5,527	353	54	7,626	3,074

	Crown Land \$ '000	Land improv- ements \$ '000	Buildings non specialised \$ '000	Building specialised \$ '000	Other structures \$ '000
2019					
Opening balance	8,618	2,412	6,117	36,901	18,026
Transfers from/(to) another asset class	407	—	—	—	—
Purchases (GBV)	—	285	5,173	47	—
Disposals (WDV)	—	—	—	(15)	—
Depreciation and impairment	—	(92)	(193)	(806)	(135)
Adjustments and transfers	—	363	31	713	—
Closing balance	9,025	2,968	11,128	36,840	17,891
2020					
Opening balance	9,025	2,968	11,128	36,840	17,891
Transfers from/(to) another asset class	—	—	—	—	1,153
Purchases (GBV)	—	314	131	1,904	—
Disposals (WDV)	—	—	—	(153)	—
Depreciation and impairment	—	(88)	(340)	(4,735)	(1,899)
FV gains – other comprehensive income	4,378	169	—	—	—
Closing balance	13,403	3,363	10,919	33,856	17,145

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Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Fair Value Measurement (continued)

	Roads \$ '000	Bridges \$ '000	Footpaths \$ '000	Bulk earthworks \$ '000	Other road assets \$ '000
2019					
Opening balance	143,573	4,888	15,647	27,471	3,449
Purchases (GBV)	4,360	–	270	–	–
Disposals (WDV)	(993)	–	(153)	–	(112)
Depreciation and impairment	(3,641)	(54)	(253)	–	(103)
Adjustments and transfers	593	–	325	–	–
Closing balance	143,892	4,834	15,836	27,471	3,234
2020					
Opening balance	143,892	4,834	15,836	27,471	3,234
Purchases (GBV)	6,761	123	2,640	16	390
Disposals (WDV)	(2,081)	–	(201)	(11)	(90)
Depreciation and impairment	(3,836)	(74)	(1,674)	–	(60)
FV gains – other comprehensive income	33,830	2,277	–	5,616	407
Adjustments and transfers	1	(1)	–	–	–
Closing balance	178,567	7,159	16,601	33,092	3,881

	Stormwater drainage \$ '000	Water supply network \$ '000	Sewerage network \$ '000	Swimming pools \$ '000	Other open spaces Restated \$ '000
2019					
Opening balance	21,495	36,279	33,796	3,074	3,325
Purchases (GBV)	63	765	68	427	912
Disposals (WDV)	–	(23)	–	–	–
Depreciation and impairment	(394)	(745)	(690)	(78)	(104)
Adjustments and transfers	–	580	531	4	–
Closing balance	21,164	36,856	33,705	3,427	4,133
2020					
Opening balance	21,164	36,856	33,705	3,427	4,133
Purchases (GBV)	435	781	–	1,057	730
Disposals (WDV)	14	(102)	–	(234)	–
Depreciation and impairment	(383)	(2,968)	(3,461)	(107)	(171)
FV gains – other comprehensive income	3,840	–	–	–	454
Adjustments and transfers	–	–	1	(2)	2
Closing balance	25,070	34,567	30,245	4,141	5,148

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Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Fair Value Measurement (continued)

	Library books \$ '000	Other assets \$ '000	Tip assets \$ '000	Total \$ '000
2019				
Opening balance	145	910	49	380,014
Purchases (GBV)	40	200	–	13,924
Disposals (WDV)	–	–	–	(1,367)
Depreciation and impairment	(29)	–	(48)	(8,669)
Adjustments and transfers	–	86	–	3,337
Closing balance	156	1,196	1	387,239
2020				
Opening balance	156	1,196	1	387,239
Transfers from/(to) another asset class	–	(1,153)	–	–
Purchases (GBV)	40	–	–	17,635
Disposals (WDV)	–	–	–	(2,929)
Depreciation and impairment	(59)	(43)	(1)	(21,428)
FV gains – other comprehensive income	–	–	–	53,410
Adjustments and transfers	–	–	–	1
Closing balance	137	–	–	433,928

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.

	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment		
Work in progress	Cost approach	At cost.
Plant and equipment	Cost approach	Gross replacement cost, remaining useful life and residual value
Office equipment	Cost approach	Gross replacement cost, remaining useful life and residual value
Furniture and fittings	Cost approach	Gross replacement cost, remaining useful life and residual value
Operational land	Market value approach	Comparison to other similar land sales/property prices, use of land and land area.
Community land	Market value approach	Use of land, zoning conditions and unit rates per square metre
Crown land	Market value approach	Use of land, zoning conditions and unit rates per square metre
Land improvements – depreciable	Cost approach - depreciated replacement	Unit rates, pattern of consumption and consumption score
Buildings – non specialised	Cost approach - depreciated replacement	Unit rates, pattern of consumption and consumption score
Buildings – specialised	Cost approach - depreciated replacement	Unit rates, pattern of consumption and consumption score
Other structures	Cost approach - depreciated replacement	Unit rates, pattern of consumption and consumption score
Roads	Cost approach - depreciated replacement	Asset condition, relationship between asset consumption rating scale and the level of consumed service potential and unit rate cost.

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Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Fair Value Measurement (continued)

	Valuation technique/s	Unobservable inputs
Bridges	Cost approach - depreciated replacement	Asset condition, relationship between asset consumption rating scale and the level of consumed service potential and unit rate cost.
Footpaths and kerb	Cost approach - depreciated replacement	Asset condition, relationship between asset consumption rating scale and the level of consumed service potential and unit rate cost.
Bulk earthworks	Cost approach - depreciated replacement	Asset condition, relationship between asset consumption rating scale and the level of consumed service potential and unit rate cost.
Other road assets	Cost approach - depreciated replacement	Asset condition, relationship between asset consumption rating scale and the level of consumed service potential and unit rate cost.
Stormwater drainage	Cost approach - depreciated replacement	Asset condition, relationship between asset consumption rating scale and the level of consumed service potential and unit rate cost.
Water supply network	Cost approach - depreciated replacement	Unit rate cost from market evidence, split between short and long life components, valuation profiles and consumption score.
Sewerage network	Cost approach - depreciated replacement	Unit rate cost from market evidence, split between short and long life components, valuation profiles and consumption score.
Swimming pools	Cost approach - depreciated replacement	Unit rates, pattern of consumption and consumption score.
Other open spaces/recreational assets	Cost approach - depreciated replacement	Unit rates, pattern of consumption and consumption score.
Library books	Cost approach	Gross replacement cost and remaining useful life
Other assets	Cost approach - depreciated replacement	Gross replacement cost and remaining useful life
Tip assets	Cost approach - depreciated replacement	Gross replacement cost and remaining useful life

(4) Highest and best use

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

Edward River Council

Financial Statements 2020

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:

	2020 \$ '000	2019 \$ '000
Compensation:		
Short-term benefits	816	704
Post-employment benefits	–	49
Other long-term benefits	7	6
Total	823	759

continued on next page ...

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Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 23. Related party disclosures (continued)

(b) Other related party transactions

	Ref	Value of transactions during year \$ '000	Outstanding balance (incl. loans and commitments) \$ '000	Provisions for impairment of receivables outstanding \$ '000	Expense recognised for impairment of receivables \$ '000
2020					
Real Estate	1	14	—	—	—
Infrastructure works	2	13	—	—	—
Plant disposals	3	4	—	—	—
Other	4	57	—	—	—
2019					
Real Estate	1	6	—	—	—
Infrastructure works	2	4	—	—	—

- 1 Council paid \$14,297 in 2020 and \$4,088 in 2019 to Big River Real Estate for lease rentals. A member of the KMP is employed by and previously owned Big River Real Estate.
- 2 Council provided carpark line marking services worth \$5,743 to Intereach Limited at an arm's length price in 2019. A member of Council's KMP is a board member for Intereach. Council also provided weed spraying services at a commercial rate for \$12,702 to a related party of KMP in 2020.
- 3 Council disposed tanker trailers with fully depreciated values to related parties of KMP for \$3,550 in 2020.
- 4 A family member of KMP works for council and they have not received any payments other than remuneration in terms of their employment contract (\$57,305).

Note 24. Events occurring after the reporting date

Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

Edward River Council

Financial Statements 2020

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

	as at 30/06/19						as at 30/06/20	
	Opening Balance \$ '000	Contributions received during the year		Interest earned in year \$ '000	Expenditure during year \$ '000	Internal borrowing (to)/from \$ '000	Held as restricted asset \$ '000	Cumulative internal borrowings due/(payable) \$ '000
		Cash \$ '000	Non-cash \$ '000					
Roads	11	—	—	—	—	—	11	—
Parking	8	—	—	—	—	—	8	—
Open space	4	—	—	—	—	—	4	—
Community facilities	9	—	—	—	—	—	9	—
Other	1	84	—	—	—	(84)	1	—
S7.11 contributions – under a plan	33	84	—	—	—	(84)	33	—
Total S7.11 and S7.12 revenue under plans	33	84	—	—	—	(84)	33	—
S7.11 not under plans	6	—	—	—	—	—	6	—
Total contributions	39	84	—	—	—	(84)	39	—

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Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 25. Statement of developer contributions (continued)

	as at 30/06/19	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	as at 30/06/20	Cumulative internal borrowings due/(payable)
	Opening Balance \$ '000	Cash \$ '000	Non-cash \$ '000	\$ '000	\$ '000	\$ '000	Held as restricted asset \$ '000	\$ '000
S7.11 Contributions – under a plan								
CONTRIBUTION PLAN (former Deniliquin)								
Roads	11	–	–	–	–	–	11	–
Parking	8	–	–	–	–	–	8	–
Open space	4	–	–	–	–	–	4	–
Community facilities	9	–	–	–	–	–	9	–
Other	1	84	–	–	–	(84)	1	–
Total	33	84	–	–	–	(84)	33	–

Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 26. Result by fund

	General ¹ 2020 \$ '000	Water 2020 \$ '000	Sewer 2020 \$ '000
Income Statement by fund			
Income from continuing operations			
Rates and annual charges	8,763	1,362	2,949
User charges and fees	4,971	1,860	283
Interest and investment revenue	541	217	154
Other revenues	504	–	–
Grants and contributions provided for operating purposes	8,500	51	33
Grants and contributions provided for capital purposes	8,220	–	–
Total income from continuing operations	31,499	3,490	3,419
Expenses from continuing operations			
Employee benefits and on-costs	8,284	503	368
Borrowing costs	10	–	–
Materials and contracts	3,795	1,336	1,099
Depreciation and amortisation	7,556	751	675
Other expenses	4,118	272	127
Net losses from the disposal of assets	2,495	103	–
Revaluation decrement /impairment of IPPE	7,158	1,808	2,401
Share of interests in joint ventures and associates using the equity method	10	–	–
Total expenses from continuing operations	33,426	4,773	4,670
Operating result from continuing operations	(1,927)	(1,283)	(1,251)
Net operating result for the year	(1,927)	(1,283)	(1,251)
Net operating result attributable to each council fund	(1,927)	(1,283)	(1,251)
Net operating result for the year before grants and contributions provided for capital purposes	(10,147)	(1,283)	(1,251)

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.

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Edward River Council

Financial Statements 2020

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

Note 26. Result by fund (continued)

	General ¹ 2020 \$ '000	Water 2020 \$ '000	Sewer 2020 \$ '000
Statement of Financial Position by fund			
ASSETS			
Current assets			
Cash and cash equivalents	7,649	2,972	2,281
Investments	23,117	5,391	3,242
Receivables	3,300	477	277
Other	62	–	–
Total current assets	34,128	8,840	5,800
Non-current assets			
Infrastructure, property, plant and equipment	377,091	33,267	30,248
Investments accounted for using the equity method	346	–	–
Total non-current assets	377,437	33,267	30,248
TOTAL ASSETS	411,565	42,107	36,048
LIABILITIES			
Current liabilities			
Payables	3,864	84	144
Contract liabilities	956	–	–
Provisions	3,137	–	–
Total current liabilities	7,957	84	144
Non-current liabilities			
Payables	50	–	–
Provisions	422	–	–
Total non-current liabilities	472	–	–
TOTAL LIABILITIES	8,429	84	144
Net assets	403,136	42,023	35,904
EQUITY			
Accumulated surplus	354,981	42,023	35,904
Revaluation reserves	48,155	–	–
Council equity interest	403,136	42,023	35,904
Total equity	403,136	42,023	35,904

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.

Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 27(a). Statement of performance measures – consolidated results

	Amounts 2020	Indicator 2020	Prior periods 2019 2018		Benchmark
\$ '000			Restated		
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	1,294	4.29%	10.06%	10.97%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	30,188				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	21,604	56.25%	48.24%	64.26%	>60.00%
Total continuing operating revenue ¹	38,408				
3. Unrestricted current ratio					
Current assets less all external restrictions	26,453	4.56x	11.79x	13.22x	>1.50x
Current liabilities less specific purpose liabilities	5,798				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	10,286	∞	4.42x	15.04x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	—				
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	1,493	10.62%	6.01%	8.91%	<10.00%
Rates, annual and extra charges collectible	14,053				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	44,652	27.92	30.62	27.85	>3.00
Monthly payments from cash flow of operating and financing activities	1,599	mths	mths	mths	mths

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

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

Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 27(b). Statement of performance measures – by fund

	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2020	2019	2020	2019	2020	2019	
\$ '000		Restated		Restated			
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	15.08%	6.37%	(31.83)%	15.87%	(32.36)%	28.51%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹							
2. Own source operating revenue ratio							
Total continuing operating revenue excluding capital grants and contributions ¹	46.92%	37.68%	98.54%	97.42%	99.03%	97.11%	>60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	4.56x	11.79x	105.24x	1,786.80x	40.28x	39.94x	>1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	∞	3.36x	∞	∞	∞	42.08x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates, annual charges, interest and extra charges outstanding percentage							
Rates, annual and extra charges outstanding	12.51%	8.46%	9.69%	0.08%	4.82%	0.00%	<10.00%
Rates, annual and extra charges collectible							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	24.63	29.50	∞	∞	∞	∞	>3.00
Payments from cash flow of operating and financing activities	mths	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.

To allow for comparative purposes, a discrepancy totalling \$173,000 has been taken up in 2018 'Income for continuing operations' figures. Code 27 has moved 'Pensioner rate subsidies', previously recognised in 'Special Purpose Grants', into 'Rates and annual charges'. Of the \$173,000, Financial assistance grants were decreased \$78,000 and Special purpose grants were decreased \$95,000. This required a restating of Indicator ratios for General, Water and Sewerage. As a result, the ratio percentages for 2018 figures have been slightly changed.

Edward River Council

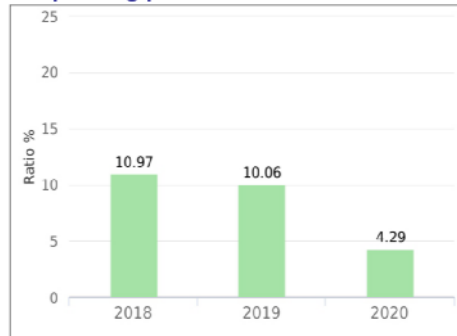
Financial Statements 2020

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



Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

Purpose of operating performance ratio

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

Commentary on 2019/20 result

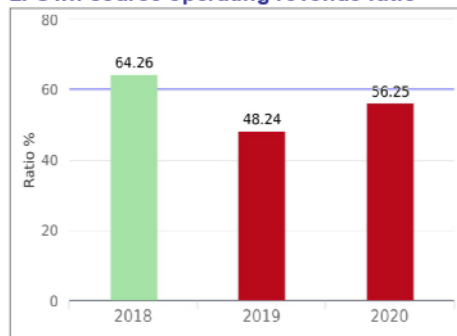
2019/20 ratio 4.29%

Operating performance remained above the benchmark for 2020, although it declined significantly from prior years due to a reduction in operating grants received during the year.

Ratio achieves benchmark

Ratio is outside benchmark

2. Own source operating revenue ratio



Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

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

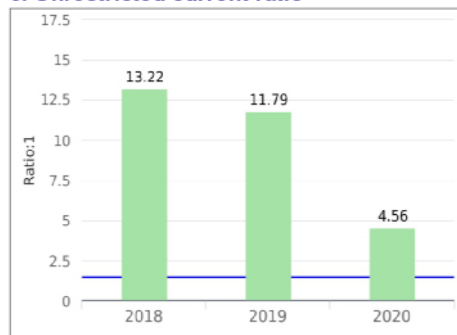
2019/20 ratio 56.25%

During the year Council improved its ability to cover its operations from own source revenue.

Ratio achieves benchmark

Ratio is outside benchmark

3. Unrestricted current ratio



Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

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 4.56x

Council has consistently managed to maintain its unrestricted current ratio above the benchmark, highlighting its capacity to meet short-term obligations.

Ratio achieves benchmark

Ratio is outside benchmark

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Edward River Council

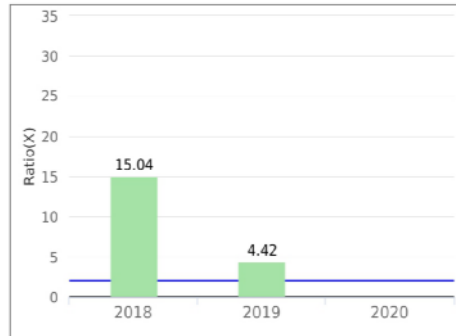
Financial Statements 2020

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



Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

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

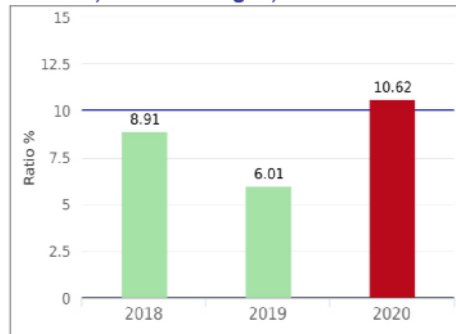
2019/20 ratio ∞

Council did not have any borrowings during the year ended 30 June 2020.

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates, annual charges, interest and extra charges outstanding percentage



Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

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

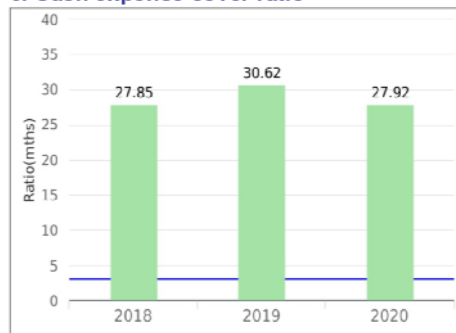
2019/20 ratio 10.62%

The Covid 19 pandemic related financial difficulty experienced by many rate payers led to a higher than normal level of uncollected rates and annual charges for the year.

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



Benchmark: — > 3.00mths

Source of benchmark: Code of Accounting Practice and Financial Reporting #28

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 27.92 mths

Council's outstanding cash expense ratio indicates that cash balances are at a level sufficient to support its operations for more than 26 months.

Ratio achieves benchmark

Ratio is outside benchmark

Edward River Council

Financial Statements 2020

Notes to the Financial Statements

for the year ended 30 June 2020

Note 28. Council information and contact details

Principal place of business:180 Cressy Street
Deniliquin NSW 2710**Contact details****Mailing Address:**PO Box 270
Deniliquin NSW 2710**Telephone:** 03 5898 3000**Facsimile:** 03 5898 3021**Opening hours:**8.30am to 5.00pm
Monday to Friday**Internet:** www.edwardriver.nsw.gov.au**Email:** council@edwardriver.nsw.gov.au**Officers****General Manager**

Mr Philip Stone

Responsible Accounting Officer

Mrs Amanda Barber

AuditorsAudit Office NSW
Level 19, Tower 2 Darling Park
201 Sussex St
Sydney NSW 2000**Elected members****Mayor**

Cr Norm Brennan

CouncillorsCr Pat Fogarty - Deputy Mayor
Cr Peta Betts
Cr Marg Bull
Cr Ashley Hall
Cr Norm McAllister
Cr Peter McCrabb
Cr Nick Metcalfe
Cr Mac Wallace**Other information****ABN:** 90 407 359 958

Edward River Council

Financial Statements 2020

General Purpose Financial Statements
for the year ended 30 June 2020

Edward River Council

Financial Statements 2020

General Purpose Financial Statements
for the year ended 30 June 2020



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Edward River Council

To the Councillors of Edward River Council

Opinion

I have audited the accompanying financial statements of Edward River Council (the Council), which comprise the Statement by Councillors and Management, the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2020, the Statement of Financial Position as at 30 June 2020, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion:

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been prepared, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

The Council's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

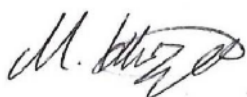
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

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

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

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



Michael Kharzoo
Delegate of the Auditor-General for New South Wales

19 November 2020
SYDNEY



Cr Norm Brennan
Mayor
Edward River Council
PO Box 270
DENILIQUIN NSW 2710

Contact: Michael Kharzoo
Phone no: (02) 9275 7188
Our ref: D2026613/1721

19 November 2020

Dear Mayor




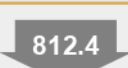
**Report on the Conduct of the Audit
for the year ended 30 June 2020
Edward River Council**

I have audited the general purpose financial statements (GPFS) of the Edward River 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	13.1	12.7	 2.7
Grants and contributions revenue	16.8	20.2	 16.8
Operating result from continuing operations	(4.5)	11.8	 137.8
Net operating result before capital grants and contributions	(12.7)	1.78	 812.4

* The 2019 comparatives have been restated to correct a prior period error. Note 15 of the financial statements provides details of the prior period error.

The Council's operating result from continuing operations (deficit of \$4.5 million including depreciation and amortisation expense of \$9.0 million) was \$16.3 million lower than the 2018–19 result. This movement was mainly due to the \$11.4 million revaluation decrement and the increase in materials and contracts.

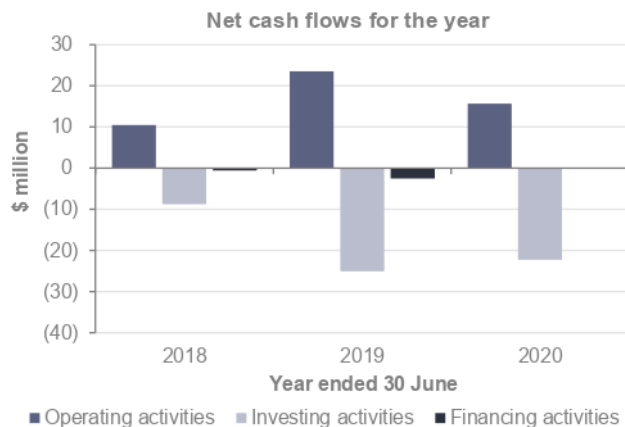
The net operating result before capital grants and contributions (deficit of \$12.7 million) was \$14.5 million lower than the 2018–19 result. This movement was mainly due to the \$11.4 million revaluation decrement and the increase in materials and contracts.

Rates and annual charges revenue (\$13.1 million) increased by \$0.3 million (2.7 per cent) in 2019–20 due to the IPART rate peg, which increased general rates revenue by 2.7 per cent in 2019–20.

Grants and contributions revenue (\$16.8 million) decreased by \$3.4 million (16.8 per cent) in 2019–20 due to the \$1.6 million merger funding and \$3.4 million RFS funding from 2018–19.

STATEMENT OF CASH FLOWS

- Council's cash and cash equivalents and investments were \$44.7 million (\$48.5 million for the year ended 30 June 2019). There was a net decrease in cash and cash equivalents and investments of \$3.8 million at 30 June 2020.
- Net cash provided by operating activities has decreased by \$7.9 million due to the decrease in grants and contribution.
- Net cash used in investing activities decreased by \$2.8 million. This is mainly due to the decrease in the purchase of investment securities of \$5.5 million and offset by the increase in purchase of infrastructure, property, plant and equipment of \$2.9 million.



FINANCIAL POSITION

Cash and investments

Cash and investments	2020	2019	Commentary
	\$'m	\$'m	
External restrictions	21.6	16.9	<ul style="list-style-type: none"> Externally restricted cash and investments are restricted in their use by externally imposed requirements. The increase of \$4.7 million is primarily due to an increase in specific purpose unexpended grants – general fund restrictions.
Internal restrictions	9.3	20.9	
Unrestricted	13.8	10.7	
Cash and investments	44.7	48.5	<ul style="list-style-type: none"> Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect identified programs of works and any forward plans identified by Council. The decrease of \$11.6 million is due to the \$10.5 million of merger stronger communities fund from 2018-19. Unrestricted cash and investments was \$13.8 million, which is available to provide liquidity for day-to-day operations of the Council. There was \$3.1 million increase in the unrestricted cash and investments balance.

Debt

Council has no external borrowings as at 30 June 2020.

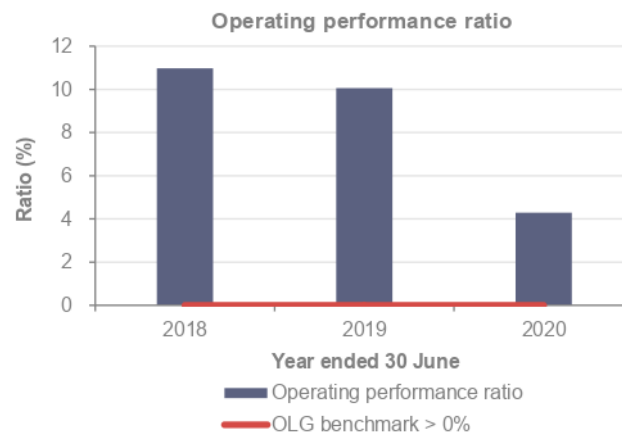
PERFORMANCE

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.

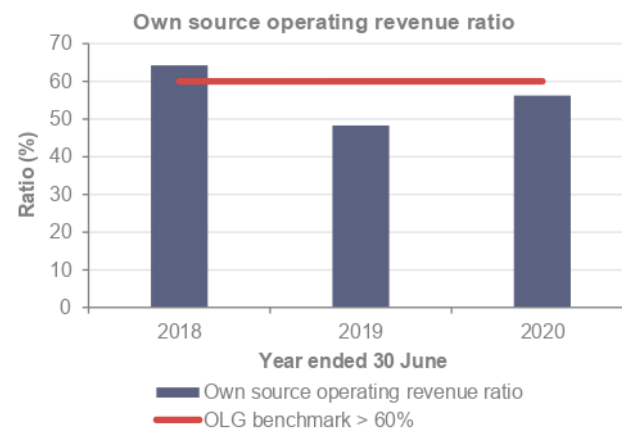
Operating performance ratio

- 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 operating performance ratio of 4.29 per cent is above the industry benchmark of greater than 0 per cent. This indicates the Council can contain operating expenditures within operating revenue.
- The decrease in operating performance ratio is mainly due to the decrease in grants and contributions.



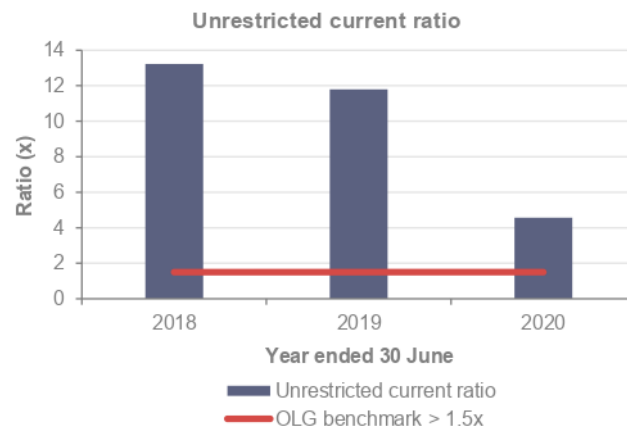
Own source operating revenue ratio

- 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's own source operating revenue ratio of 56.25 per cent is below the industry benchmark of 60 per cent. This indicates that the Council is more reliant on external funding sources, such as grants and contributions.
- The Council's own source operating revenue ratio has increased to 56.25 per cent (2019: 48.24 per cent) due to the increase in rates and annual charges and user charges and fees.

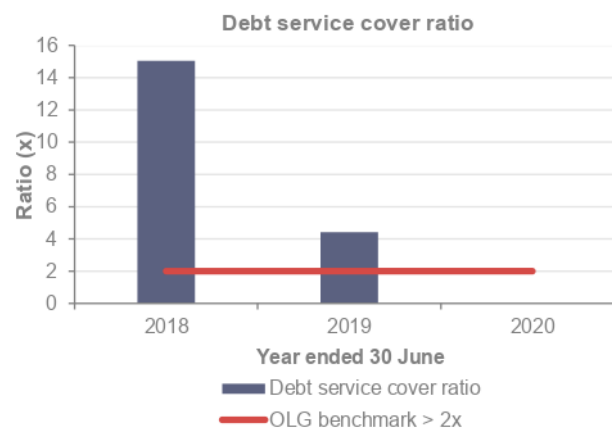


Unrestricted current ratio

- 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's liquidity ratio of 4.56 times is greater than the industry benchmark minimum of greater than 1.5 times. This indicates that the Council has sufficient liquidity to meet its current liabilities as and when they fall due.
- The Council's unrestricted current ratio has decreased due to the recognition of contract liabilities from the adoption of AASB 15 and AASB 1058 and increase of payables.

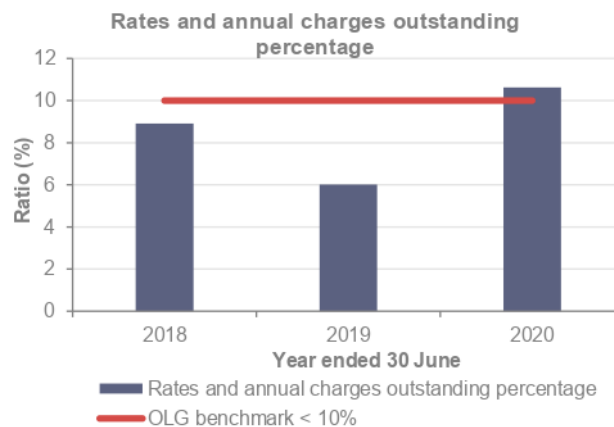
**Debt service cover ratio**

- 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 has fully repaid its borrowing during the year.

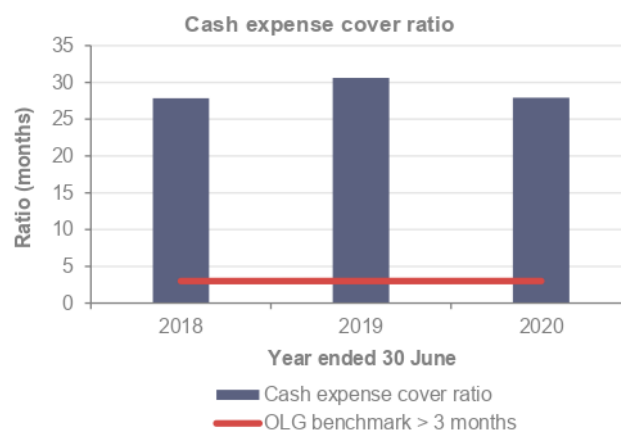


Rates and annual charges outstanding percentage

- 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's rates and annual charges outstanding ratio of 10.62 per cent is not within the industry benchmark of less than 10 per cent for regional and rural councils.
- The rates and annual charges outstanding percentage has increased from prior year, which is indicative of an area requiring further focus from Council to improve this metric.

**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's cash expense cover ratio was 27.92 months, which is above the industry benchmark of greater than 3 months. This indicates that Council had the capacity to cover 27.92 months of operating cash expenditure without additional cash inflows at 30 June 2020.

**Infrastructure, property, plant and equipment renewals**

The Council has renewed \$20.46 million of assets in the 2019-20 financial year, compared to \$17.29 million assets in the 2018-19 financial year. The 2019-20 renewals were predominately related to roads, capital work in progress and plant and equipment.

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 \$4.6 million adjustment to opening accumulated surplus at 1 July 2019 on adoption of the new Revenue Standards.

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 did not recognise any right-of-use assets and lease liabilities at 1 July 2019 on adoption of AASB 16.

The Council disclosed the impact of adopting AASB 16 in Note 1.

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.



Michael Kharzoo
Delegate of the Auditor-General for New South Wales

cc: Mr Philip Stone, General Manager
Mr Peter Rae, Chair of Audit, Risk and Improvement Committee
Jim Betts, Secretary of the Department of Planning, Industry and Environment

Edward River Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2020



Edward River Council

Special Purpose Financial Statements 2020

Special Purpose Financial Statements
for the year ended 30 June 2020

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Background

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

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

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

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

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

Edward River Council

Special Purpose Financial Statements 2020

Special Purpose Financial Statements

for the year ended 30 June 2020

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,
- the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines.

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

- present fairly the operating result and financial position for each of Council's declared business activities for the year,
- accord with Council's accounting and other records, and
- 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 29 October 2020.



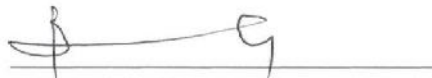
Cr Norm Brennan
Mayor
19 November 2020



Cr Pat Fogarty
Deputy Mayor
19 November 2020



Mr Phil Stone
General Manager
19 November 2020



Mrs Amanda Barber
Responsible Accounting Officer
19 November 2020

Edward River Council

Special Purpose Financial Statements 2020

Income Statement – Water Supply Business Activity
for the year ended 30 June 2020

	2020	2019
	\$ '000	Restated \$ '000
Income from continuing operations		
Access charges	1,362	1,279
User charges	1,860	1,923
Interest	217	192
Grants and contributions provided for non-capital purposes	51	34
Total income from continuing operations	3,490	3,428
Expenses from continuing operations		
Employee benefits and on-costs	503	542
Materials and contracts	1,336	1,280
Depreciation, amortisation and impairment	751	752
Loss on sale of assets	103	23
Calculated taxation equivalents	–	11
Loss on revaluation	1,636	–
Other expenses	272	287
Total expenses from continuing operations	4,601	2,895
Surplus (deficit) from continuing operations before capital amounts	(1,111)	533
Grants and contributions provided for capital purposes	–	56
Surplus (deficit) from continuing operations after capital amounts	(1,111)	589
Surplus (deficit) from all operations before tax	(1,111)	589
Less: corporate taxation equivalent (27.5%) [based on result before capital]	–	(147)
SURPLUS (DEFICIT) AFTER TAX	(1,111)	442
Plus accumulated surplus	43,134	44,605
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	–	11
– Corporate taxation equivalent	–	147
Closing accumulated surplus	42,023	45,205
Return on capital %	(3.3)%	1.4%
Subsidy from Council	1,404	–
Calculation of dividend payable:		
Surplus (deficit) after tax	(1,111)	442
Less: capital grants and contributions (excluding developer contributions)	18	–
Surplus for dividend calculation purposes	–	442
Potential dividend calculated from surplus	–	221

Accrued income relating to water meter readings was processed twice in error as at 30 June 2019, resulting in both income and receivables - user charges and fees for 2019 being overstated by \$375K.

Edward River Council

Special Purpose Financial Statements 2020

Income Statement – Sewerage Business Activity
for the year ended 30 June 2020

	2020 \$ '000	2019 \$ '000
Income from continuing operations		
Access charges	2,949	2,825
User charges	255	334
Fees	28	22
Interest	153	150
Grants and contributions provided for non-capital purposes	33	33
Total income from continuing operations	3,418	3,364
Expenses from continuing operations		
Employee benefits and on-costs	368	448
Borrowing costs	–	40
Materials and contracts	1,064	1,043
Depreciation, amortisation and impairment	675	694
Calculated taxation equivalents	–	10
Loss on revaluation	2,255	–
Other expenses	162	180
Total expenses from continuing operations	4,524	2,415
Surplus (deficit) from continuing operations before capital amounts	(1,106)	949
Grants and contributions provided for capital purposes	–	66
Surplus (deficit) from continuing operations after capital amounts	(1,106)	1,015
Surplus (deficit) from all operations before tax	(1,106)	1,015
Less: corporate taxation equivalent (27.5%) [based on result before capital]	–	(261)
SURPLUS (DEFICIT) AFTER TAX	(1,106)	754
Plus accumulated surplus	37,010	37,757
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	–	10
– Corporate taxation equivalent	–	261
Closing accumulated surplus	35,904	38,782
Return on capital %	(3.7)%	2.9%
Subsidy from Council	1,372	–
Calculation of dividend payable:		
Surplus (deficit) after tax	(1,106)	754
Less: capital grants and contributions (excluding developer contributions)	33	–
Surplus for dividend calculation purposes	–	754
Potential dividend calculated from surplus	–	377

Edward River Council

Special Purpose Financial Statements 2020

Statement of Financial Position – Water Supply Business Activity

as at 30 June 2020

	2020	2019
	\$ '000	Restated \$ '000
ASSETS		
Current assets		
Cash and cash equivalents	2,972	1,453
Investments	5,391	7,101
Receivables	477	380
Total current assets	8,840	8,934
Non-current assets		
Infrastructure, property, plant and equipment	33,267	36,856
Total non-current assets	33,267	36,856
TOTAL ASSETS	42,107	45,790
LIABILITIES		
Current liabilities		
Payables	84	5
Total current liabilities	84	5
TOTAL LIABILITIES	84	5
NET ASSETS	42,023	45,785
EQUITY		
Accumulated surplus	42,023	45,205
Revaluation reserves	–	580
TOTAL EQUITY	42,023	45,785

Accrued income relating to water meter readings was processed twice in error as at 30 June 2019, resulting in both income and receivables - user charges and fees for 2019 being overstated by \$375K.

Edward River Council

Special Purpose Financial Statements 2020

Statement of Financial Position – Sewerage Business Activity

as at 30 June 2020

	2020 \$ '000	2019 \$ '000
ASSETS		
Current assets		
Cash and cash equivalents	2,281	325
Investments	3,242	5,132
Receivables	277	294
Total current assets	5,800	5,751
Non-current assets		
Infrastructure, property, plant and equipment	30,248	33,706
Total non-current assets	30,248	33,706
TOTAL ASSETS	36,048	39,457
LIABILITIES		
Current liabilities		
Payables	144	144
Total current liabilities	144	144
TOTAL LIABILITIES	144	144
NET ASSETS	35,904	39,313
EQUITY		
Accumulated surplus	35,904	38,782
Revaluation reserves	—	531
TOTAL EQUITY	35,904	39,313

Edward River Council

Special Purpose Financial Statements 2020

Notes to the Special Purpose Financial Statements
for the year ended 30 June 2020**Note 1. Significant Accounting Policies**

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

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

The figures presented in these Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the Local Government Act 2093 (NSW), the *Local Government (General) Regulation 2005*, and the Local Government Code of Accounting Practice and Financial Reporting.

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

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

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The *Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality* issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

Declared business activities

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

Category 1

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

a. Water business activity**b. Sewer business activity****Category 2**

(where gross operating turnover is less than \$2 million)

Nil

Monetary amounts

Amounts shown in the financial statements are in Australian dollars and rounded to the nearest one thousand dollars.

continued on next page ...

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Edward River Council

Special Purpose Financial Statements 2020

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2020

Note 1. Significant Accounting Policies (continued)

(i) Taxation equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

Notional rate applied (%)

Corporate income tax rate – 27.5%

Land tax – the first \$734,000 of combined land values attracts 0%. For the combined land values in excess of \$734,001 up to \$4,488,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$4,488,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$900,000.

In accordance with the Department of Industry (Dol) – Water guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the Best Practice Management of Water Supply and Sewer Guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

Achievement of substantial compliance to the Dol – 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 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.

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.

continued on next page ...

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Edward River Council

Special Purpose Financial Statements 2020

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

Note 1. Significant Accounting Policies (continued)

In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

(ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

(iii) Return on investments (rate of return)

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

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 0.88% at 30/6/20.

(iv) Dividends

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

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

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

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 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.

Edward River Council

Special Purpose Financial Statements 2020

Special Purpose Financial Statements
for the year ended 30 June 2020

Please upift Council's Audit Report PDF (opinion) for inclusion in the SPFS report (via the Home screen).



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Edward River Council

To the Councillors of Edward River Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Edward River 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.

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2020 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in Note 1 to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

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

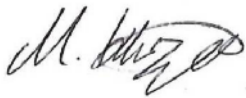
Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate,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

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

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

- that the Council carried out its activities effectively, efficiently and economically

- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Michael Kharzoo
Delegate of the Auditor-General for New South Wales

19 November 2020
SYDNEY

Edward River Council

SPECIAL SCHEDULES
for the year ended 30 June 2020



Edward River Council

Special Schedules 2020

Special Schedules

for the year ended 30 June 2020

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Edward River Council

Special Schedules 2020

Permissible income for general rates

		2020/21 Deniliquin Council \$ '000	2020/21 Conargo Shire Council \$ '000	2020/21 Edward River Council \$ '000	2019/20 Deniliquin Council \$ '000	2019/20 Conargo Shire Council \$ '000	2019/20 Edward River Council \$ '000
	Notes						
Notional general income calculation ¹							
Last year notional general income yield	a	4,738	2,723	7,461	4,595	2,649	7,244
Plus or minus adjustments ²	b	(5)	(35)	(40)	13	(3)	10
Notional general income	c = a + b	4,733	2,688	7,421	4,608	2,646	7,254
Permissible income calculation							
Or rate peg percentage	e	2.60%	2.60%		2.70%	2.70%	
Or plus rate peg amount	i = e x (c + g)	123	70	193	124	71	195
Sub-total	k = (c + g + h + i + j)	4,856	2,758	7,614	4,732	2,717	7,449
Plus (or minus) last year's carry forward total	l	(22)	19	(3)	(16)	25	9
Sub-total	n = (l + m)	(22)	19	(3)	(16)	25	9
Total permissible income	o = k + n	4,834	2,777	7,611	4,716	2,742	7,458
Less notional general income yield	p	4,731	2,690	7,421	4,738	2,723	7,461
Catch-up or (excess) result	q = o - p	103	87	190	(21)	19	(2)
Carry forward to next year ⁶	t = q + r + s	103	87	190	(21)	19	(2)

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.

Edward River Council

Special Schedules 2020

Report on Infrastructure Assets

as at 30 June 2020

Asset Class	Asset Category	Estimated cost	Estimated cost	2019/20	2019/20	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		to bring assets to satisfactory standard	to bring to the agreed level of service set by Council	Required maintenance ^a	Actual maintenance			1	2	3	4	5
		\$ '000	\$ '000	\$ '000	\$ '000							
(a) Report on Infrastructure Assets - Values												
Buildings	Buildings – non-specialised	326	326	12	9	10,919	14,735	13.0%	50.0%	29.0%	7.0%	1.0%
	Buildings – specialised	1,033	1,033	254	105	33,856	54,847	18.0%	41.0%	27.0%	13.0%	1.0%
	Sub-total	1,359	1,359	266	114	44,775	69,582	16.9%	42.9%	27.4%	11.7%	1.0%
Other structures	Other structures	391	391	37	69	17,145	19,683	24.0%	51.0%	16.0%	8.0%	1.0%
	Sub-total	391	391	37	69	17,145	19,683	24.0%	51.0%	16.0%	8.0%	1.0%
Roads	Sealed and unsealed roads	5,526	5,526	1,991	2,132	178,567	236,187	17.0%	27.0%	41.0%	14.0%	1.0%
	Bridges	–	–	101	78	7,159	10,564	14.0%	54.0%	32.0%	0.0%	0.0%
	Footpaths and kerb and gutter	589	589	400	330	16,601	24,904	9.0%	25.0%	52.0%	12.0%	2.0%
	Other road assets	–	–	81	72	3,881	4,726	33.0%	30.0%	37.0%	0.0%	0.0%
	Bulk earthworks	–	–	–	–	33,092	33,092	24.0%	1.0%	75.0%	0.0%	0.0%
	Sub-total	6,115	6,115	2,573	2,612	239,300	309,473	17.2%	25.0%	45.2%	11.7%	0.9%
Water supply network	Water supply network	1,088	1,088	824	1,050	34,547	60,283	6.0%	27.0%	47.0%	15.0%	5.0%
	Sub-total	1,088	1,088	824	1,050	34,567	60,283	6.0%	27.0%	47.0%	15.0%	5.0%
Sewerage network	Sewerage network	703	703	273	614	30,245	56,529	23.0%	28.0%	12.0%	18.0%	19.0%
	Sub-total	703	703	273	614	30,245	56,529	23.0%	28.0%	12.0%	18.0%	19.0%
Stormwater drainage	Stormwater drainage	2,250	2,250	89	46	25,070	36,871	32.0%	32.0%	26.0%	8.0%	2.0%
	Sub-total	2,250	2,250	89	46	25,070	36,871	32.0%	32.0%	26.0%	8.0%	2.0%

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Edward River Council

Special Schedules 2020

Report on Infrastructure Assets (continued)

as at 30 June 2020

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2019/20 Required maintenance ^a	2019/20 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000	1	2	3	4	5
Open space / recreational assets	Swimming pools	70	70	32	66	4,141	5,030	21.0%	57.0%	19.0%	3.0%	0.0%
	Other open space/ recreational	592	592	7	68	5,148	8,072	45.0%	24.0%	14.0%	15.0%	2.0%
	Sub-total	662	662	39	134	9,289	13,102	35.8%	36.7%	15.9%	10.4%	1.2%
TOTAL - ALL ASSETS		12,568	12,568	4,101	4,639	400,391	565,523	18.2%	29.4%	36.9%	12.3%	3.3%

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

Infrastructure asset condition assessment 'key'

1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

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Edward River Council

Special Schedules 2020

Report on Infrastructure Assets (continued)

as at 30 June 2020

	Amounts 2020	Indicator 2020	Prior periods 2019 2018 Restated		Benchmark
\$ '000					
Infrastructure asset performance indicators (consolidated) *					
Buildings and infrastructure renewals ratio ¹					
Asset renewals ²	13,092	66.43%	115.65%	137.42%	>100.00%
Depreciation, amortisation and impairment	19,708				
Infrastructure backlog ratio ¹					
Estimated cost to bring assets to a satisfactory standard	12,568	3.14%	2.40%	0.94%	<2.00%
Net carrying amount of infrastructure assets	400,391				
Asset maintenance ratio					
Actual asset maintenance	4,639	113.12%	99.40%	98.20%	>100.00%
Required asset maintenance	4,101				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	12,568	2.22%	1.70%	0.66%	
Gross replacement cost	565,523				

(*) 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.

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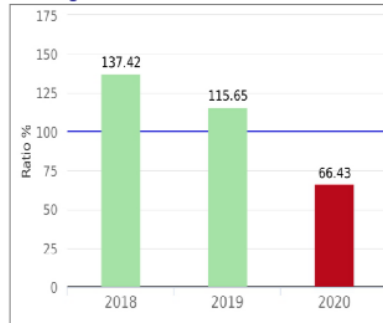
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Edward River Council

Special Schedules 2020

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 66.43%

Council has historically renewed its assets at a higher rate than they are depreciating, as shown by the ratios from prior years. The sharp drop in the ratio in 2020 is a reflection of the effect of impairment due to revaluation of infrastructure assets conducted in February 2020. Council revalued its infrastructure assets during the year which resulted in a loss on revaluation of \$12M. This had the effect of lowering the buildings and infrastructure renewals ratio to around 70%.

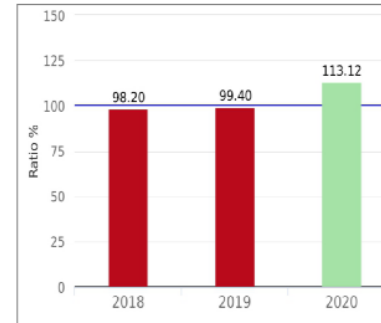
Benchmark: — > 100.00%

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 113.12%

Council continued to improve its planned maintenance ratio during the year to surpass the required benchmark of 100% in 2020.

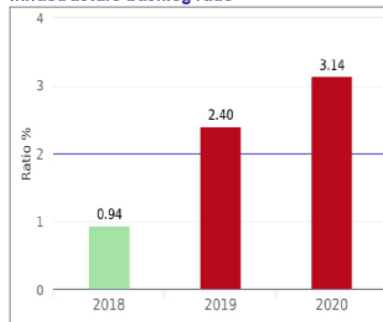
Benchmark: — > 100.00%

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 3.14%

The cost to bring assets to a satisfactory standard ratio increased slightly during the year as a result of council identifying more assets in a condition that did not meet the agreed service levels during the year. Council will continue to focus on improving its assets' condition in order to bring the ratio within the required benchmark.

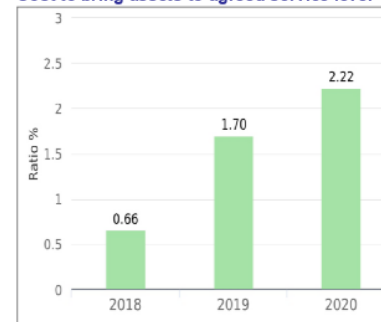
Benchmark: — < 2.00%

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 2.22%

Council needs minimal investment to achieve the agreed service levels. The service levels are reviewed regularly as part of Council's continuous improvement of assets.

continued on next page ...

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Edward River Council

Special Schedules 2020

Report on Infrastructure Assets (continued)

as at 30 June 2020

\$ '000	General fund		Water fund		Sewer fund		Benchmark
	2020	2019	2020	2019	2020	2019	
Infrastructure asset performance indicators (by fund)							
Buildings and infrastructure renewals ratio ¹							
Asset renewals ²							
Depreciation, amortisation and impairment	92.71%	131.35%	26.31%	95.97%	0.00%	5.80%	>100.00%
Infrastructure backlog ratio ¹							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	3.21%	2.30%	3.15%	1.87%	2.32%	3.87%	<2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	99.03%	97.91%	127.43%	106.57%	224.91%	98.07%	>100.00%
Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council							
Gross replacement cost	2.40%	1.69%	1.80%	1.18%	1.24%	2.35%	

(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.



INDEPENDENT AUDITOR'S REPORT

Special Schedule - Permissible income for general rates

Edward River Council

To the Councillors of Edward River Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Edward River Council (the Council) for the year ending 30 June 2021.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting – update number 28 (LG Code), and is in accordance with the books and records of the Council.

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

The Council's annual report for the year ended 30 June 2020 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2020.

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

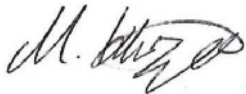
- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

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

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

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



Michael Kharzoo
Delegate of the Auditor-General for New South Wales

19 November 2020
SYDNEY



Cr Norm Brennan
Mayor
Edward River Council
PO Box 270
DENILIQUIN NSW 2710

Contact: Michael Kharzoo
Phone no: (02) 9275 7188
Our ref: D2026613/1721

19 November 2020

Dear Mayor





**Report on the Conduct of the Audit
for the year ended 30 June 2020
Edward River Council**

I have audited the general purpose financial statements (GPFS) of the Edward River 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	13.1	12.7	 2.7
Grants and contributions revenue	16.8	20.2	 16.8
Operating result from continuing operations	(4.5)	11.8	 137.8
Net operating result before capital grants and contributions	(12.7)	1.78	 812.4

* The 2019 comparatives have been restated to correct a prior period error. Note 15 of the financial statements provides details of the prior period error.

The Council's operating result from continuing operations (deficit of \$4.5 million including depreciation and amortisation expense of \$9.0 million) was \$16.3 million lower than the 2018–19 result. This movement was mainly due to the \$11.4 million revaluation decrement and the increase in materials and contracts.

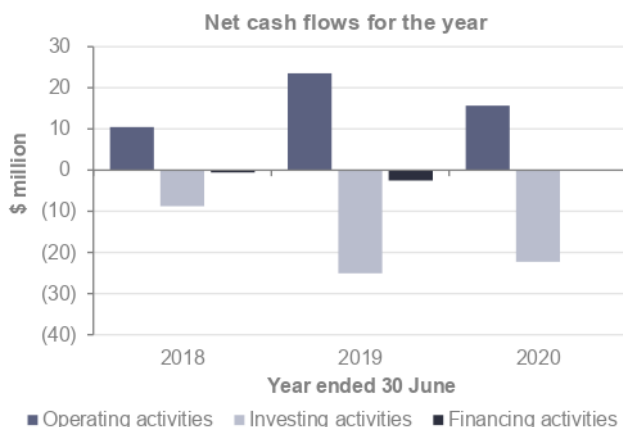
The net operating result before capital grants and contributions (deficit of \$12.7 million) was \$14.5 million lower than the 2018–19 result. This movement was mainly due to the \$11.4 million revaluation decrement and the increase in materials and contracts.

Rates and annual charges revenue (\$13.1 million) increased by \$0.3 million (2.7 per cent) in 2019–20 due to the IPART rate peg, which increased general rates revenue by 2.7 per cent in 2019–20.

Grants and contributions revenue (\$16.8 million) decreased by \$3.4 million (16.8 per cent) in 2019–20 due to the \$1.6 million merger funding and \$3.4 million RFS funding from 2018–19.

STATEMENT OF CASH FLOWS

- Council's cash and cash equivalents and investments were \$44.7 million (\$48.5 million for the year ended 30 June 2019). There was a net decrease in cash and cash equivalents and investments of \$3.8 million at 30 June 2020.
- Net cash provided by operating activities has decreased by \$7.9 million due to the decrease in grants and contribution.
- Net cash used in investing activities decreased by \$2.8 million. This is mainly due to the decrease in the purchase of investment securities of \$5.5 million and offset by the increase in purchase of infrastructure, property, plant and equipment of \$2.9 million.



FINANCIAL POSITION

Cash and investments

Cash and investments	2020	2019	Commentary
	\$'m	\$'m	
External restrictions	21.6	16.9	<ul style="list-style-type: none"> Externally restricted cash and investments are restricted in their use by externally imposed requirements. The increase of \$4.7 million is primarily due to an increase in specific purpose unexpended grants – general fund restrictions.
Internal restrictions	9.3	20.9	
Unrestricted	13.8	10.7	
Cash and investments	44.7	48.5	<ul style="list-style-type: none"> Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect identified programs of works and any forward plans identified by Council. The decrease of \$11.6 million is due to the \$10.5 million of merger stronger communities fund from 2018-19. Unrestricted cash and investments was \$13.8 million, which is available to provide liquidity for day-to-day operations of the Council. There was \$3.1 million increase in the unrestricted cash and investments balance.

Debt

Council has no external borrowings as at 30 June 2020.

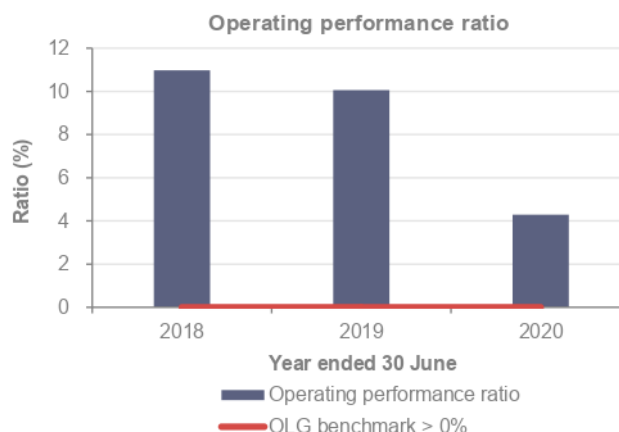
PERFORMANCE

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.

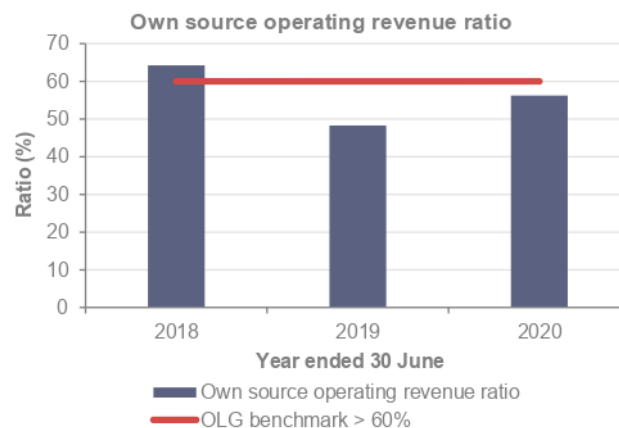
Operating performance ratio

- 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 operating performance ratio of 4.29 per cent is above the industry benchmark of greater than 0 per cent. This indicates the Council can contain operating expenditures within operating revenue.
- The decrease in operating performance ratio is mainly due to the decrease in grants and contributions.



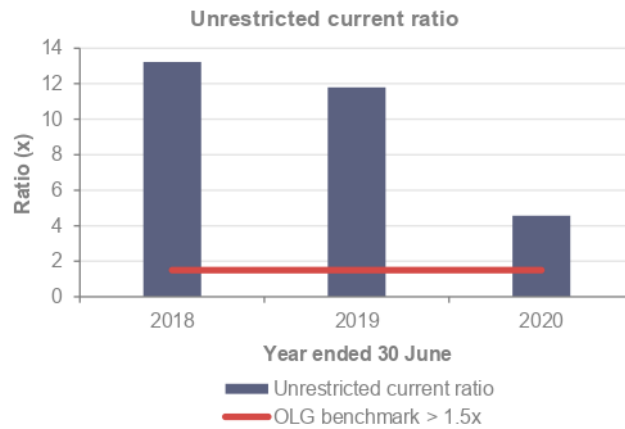
Own source operating revenue ratio

- 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's own source operating revenue ratio of 56.25 per cent is below the industry benchmark of 60 per cent. This indicates that the Council is more reliant on external funding sources, such as grants and contributions.
- The Council's own source operating revenue ratio has increased to 56.25 per cent (2019: 48.24 per cent) due to the increase in rates and annual charges and user charges and fees.

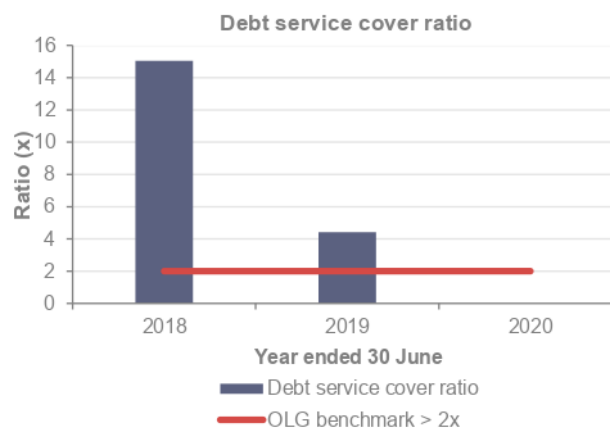


Unrestricted current ratio

- 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's liquidity ratio of 4.56 times is greater than the industry benchmark minimum of greater than 1.5 times. This indicates that the Council has sufficient liquidity to meet its current liabilities as and when they fall due.
- The Council's unrestricted current ratio has decreased due to the recognition of contract liabilities from the adoption of AASB 15 and AASB 1058 and increase of payables.

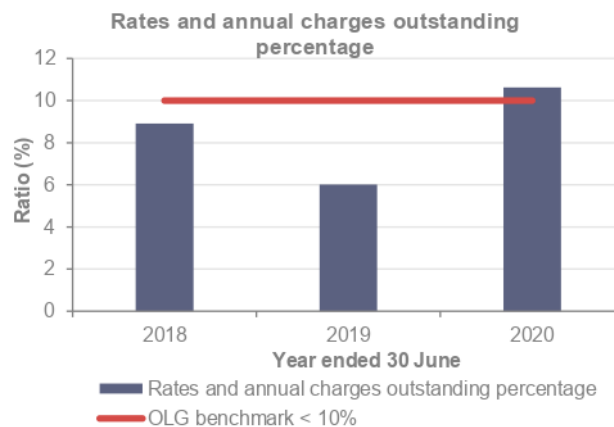
**Debt service cover ratio**

- 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 has fully repaid its borrowing during the year.

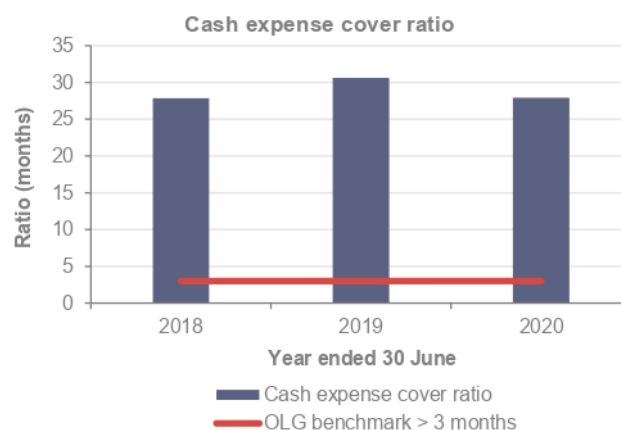


Rates and annual charges outstanding percentage

- 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's rates and annual charges outstanding ratio of 10.62 per cent is not within the industry benchmark of less than 10 per cent for regional and rural councils.
- The rates and annual charges outstanding percentage has increased from prior year, which is indicative of an area requiring further focus from Council to improve this metric.

**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's cash expense cover ratio was 27.92 months, which is above the industry benchmark of greater than 3 months. This indicates that Council had the capacity to cover 27.92 months of operating cash expenditure without additional cash inflows at 30 June 2020.

**Infrastructure, property, plant and equipment renewals**

The Council has renewed \$20.46 million of assets in the 2019-20 financial year, compared to \$17.29 million assets in the 2018-19 financial year. The 2019-20 renewals were predominately related to roads, capital work in progress and plant and equipment.

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 \$4.6 million adjustment to opening accumulated surplus at 1 July 2019 on adoption of the new Revenue Standards.

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 did not recognise any right-of-use assets and lease liabilities at 1 July 2019 on adoption of AASB 16.

The Council disclosed the impact of adopting AASB 16 in Note 1.

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.



Michael Kharzoo
Delegate of the Auditor-General for New South Wales

cc: Mr Philip Stone, General Manager
Mr Peter Rae, Chair of Audit, Risk and Improvement Committee
Jim Betts, Secretary of the Department of Planning, Industry and Environment

10.7 REQUEST FOR WATER TRANSFER

Author: Michael Todd, Assets & Procurement Administrator

Authoriser: Mark Dalzell, Acting Director Infrastructure

RECOMMENDATION

That Council

- 1) Approve providing a water transfer to the Racecourse Reserve of 30 megalitres.
- 2) Provide the water to the Racecourse free of charge and only pass on administrative charges as incurred in establishing the water transfer
- 3) Note that this approval is a once off approval and that Council may not be able to provide this support in future years if increased water restrictions are applied

BACKGROUND

Council has received a request from the Deniliquin Racecourse Reserve, for a water transfer.

Over a number of years Council has approved these requests from the Deniliquin Racecourse Reserve Trust and the Deniliquin Golf Club. In 2018, due to a change in a legislation, difficulties were encountered, and it was a longer approval process. This legislation has now reverted back to simplify the process.

ISSUE/DISCUSSION

Whilst the Racing Club and Rodeo Club both had their annual events cancelled because of pandemic restrictions, the Motorcycle Club and Sporting Car Club (who all form part of the Trust) both held events under Covid conditions, so the demand for water remains high. This year the request is for 30 megalitres, down from the previous years as there is a percentage of the trusts allocation available.

STRATEGIC IMPLICATIONS

Council has a water allocation for town water supply of 5,500ML. This full allocation is not utilised and the 30ML of water proposed to be transferred through this report can be accommodated within this allocation.

The Deniliquin Racecourse Reserve is a not for profit community group. As such it is proposed that the water be transferred for their usage at no cost. The only costs that would be covered is any administrative charges required through either WaterNSW or Murray Irrigation Limited as part of the process to transfer the water.

COMMUNITY STRATEGIC PLAN

This report aligns with Outcome 1 – A great place to live. It contributes towards ensuring our community has access to essential services.

FINANCIAL IMPLICATIONS

It is proposed that any administrative costs incurred by Council throughout implementing this report will be passed on to the respective group.

LEGISLATIVE IMPLICATIONS

The approach proposed in this report has been supported by WaterNSW and their advice is that it complies with the Water Management Act 2000.

ATTACHMENTS

1.	Deniliquin	Racecourse	Trust	-	Request
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DENILIKUIN RACECOURSE LAND MANAGER

PO BOX 1073
DENILIKUIN 2710

The General Manager
Edward River Council

Dear Sir

On behalf of the Tennant Cubs on the Racecourse Reserve I would like to request your Council to provide an allocation of 30 ml of water through Murray Irrigation.

Whilst the Racing Club and Rodeo Club both had their annual events cancelled because of Pandemic restrictions, the Motorcycle Club and Sporting Car Club both held events under restricted conditions.

The call for maintenance watering by all Clubs continues and their requirements have been met by our limited reserves which are now approaching completion..

In addition the Racing Club expects to conduct its annual ANZAC Day meeting and the Rodeo Club its Easter event.. This will require extensive rejuvenation of the facilities which have had minimum attention over the last few months. This will require extensive application of water to the surrounds and competition facilities. Meanwhile both the Motorcycle and Sporting Car Clubs will continue events and both will require continued support.

I would request your Council to favourably consider this request, as you have in past years.

The Councils support of all Tennant Clubs on the Racecourse Reserve is greatly appreciated and look forward to your continued support of these very active sporting Clubs.

Yours Sincerely

Peter Joss
Chairman

11 November 2020

10.8 REQUEST FROM DENI PLAY ON THE PLAINS FESTIVAL LTD**Author:** Mark Dalzell, Acting Director Infrastructure**Authoriser:** Philip Stone, General Manager**RECOMMENDATION**

That Council allocate \$25,000 as a cash contribution and up to \$15,000 of in-kind contributions to the Deni Play on the Plains Festival Ltd for an event in March 2021 in lieu of funding included in the 2020/21 Operational Plan for the October 2020 Ute Muster.

BACKGROUND

Council has received a request from the Deni Play on the Plains Festival Ltd for assistance towards a new event in March 2021.

ISSUE/DISCUSSION

As part of the 2020/21 Operation Plan Council has allocated the following support for the annual Ute Muster event:

- \$25,000 as a cash contribution towards the event, and;
- Up to \$60,000 of in-kind support. This includes traffic control, road and access maintenance, food inspections and receipt of sewage waste from the site.

These contributions are included in a Memorandum of Understanding (MoU) between Council and Deni Play on the Plains Festival Ltd. It is noted that the current MoU is in its last year of operation and as a separate matter to this report, Council shall be negotiating about a new MoU into the future.

Unfortunately, due to COVID-19 the Ute Muster was unable to proceed in 2020, meaning that the funds allocated in the Operational Plan were not required for the event. Council has since received a request from Deni Play on the Plains Festival Ltd for this support to go to new event to be held in March 2021. A copy of the request from Deni Play on the Plains Festival Ltd is included in Attachment 1 to this report.

This event will differ from the Ute Muster as noted below.

- One day event with no camping on the site,
- Attendance is anticipated to be 2,000 people for COVID-19 related reasons, and;
- Local food trucks shall be used to support the event.

Deni Play on the Plains Festival Ltd have requested that the funding currently allocated for the Ute Muster event be re-allocated to the proposed March 2021 event to support this new event. Benefits of the proposed event include:

- Increased visitation to Deniliquin and the region,
- Assistance in starting a second major event at the festival site, and;
- Providing another source of income for Deni Play on the Plains Festival Ltd during the current COVID-19 situation and possibly into the future. This will assist in securing the viability of the organisation into the future.

An issue regarding the request is that the proposed event will not provide the same benefit to the community as would the Ute Muster event. This is due to the reduction in length of the event and anticipated attendees. Deni Play on the Plains Festival Ltd have also noted during discussions that the full amount of the in-kind contribution from Council will not be required and that \$15,000 of in-kind contribution is likely to be enough to support the proposed event. This would result in Council's

total contributions being in the order of \$40,000, which is less than Council's usual contribution of \$85,000.

Based on the benefits to the community in hosting some sort of event in the current COVID-19 climate, even though the attendance will be greatly reduced from the normal 15,000 to 20,000 who attend the Ute Muster, and the possibility that the support will assist in securing the second event into the future, Council staff recommend that Council reallocate the current funding for the Ute Muster event to this new event in March 2021 up to the value of:

- \$25,000 in cash contributions, and;
- Up to \$15,000 of in-kind contributions.

It is noted that the next Ute Muster event will be held in September /October 2021, which is in the 2021/22 Operation Plan and budget. Therefore, any decisions regarding the request from Deni Play on the Plains Festival Ltd for a March 2021 event will not impact the next Ute Muster event.

STRATEGIC IMPLICATIONS

Deni Play on the Plains Festival Ltd, through hosting the annual Ute Muster event, is strategically important for tourism in the Deniliquin region. A second event at the site, independent and with a different focus to the Ute Muster, will assist in securing the long-term viability of Deni Play on the Plains Festival Ltd and in turn the Ute Muster event.

COMMUNITY STRATEGIC PLAN

This project meets the objectives of *Outcome 2 – A prosperous and vibrant economy* in the Community Strategic Plan, including:

- Target 2.1 – We develop our key assets to enhance agriculture, boost tourism and support existing business.

It is noted that in this instance Deni Play on the Plains Festival Ltd and the Ute Muster are key assets for the community in relation to tourism and the economy.

FINANCIAL IMPLICATIONS

The request involves the re-allocation of existing funds from the 2020/21 Operational Plan without an increase in the funding amount.

LEGISLATIVE IMPLICATIONS

Nil.

ATTACHMENTS

1. Request from Deni Play on the Plains Ltd



Deni Play on the Plains Festival Ltd
62 - 64 Hardinge Street
Deniliquin NSW 2710
03 5881 3388
0448 832 104
gm@deniutemuster.com.au

29 October 2020

Mr Phil Stone
General Manager
Edward River Council
1 Civic Place
Deniliquin NSW 2710

Deni Ute Muster Partnership MOU

Dear Phil

Due to COVID-19 and the cancellation of the 2020 Deni Ute Muster, I would like to request that the 2020 financial assistance of \$25,000 and a portion of the \$60,000 in-kind assistance agreed upon in the partnership 2018 – 2020 MOU for the Deni Ute Muster be made available for the following:

A new festival to be held on the Deni Ute Muster site to become an annual event.
Please note this festival will not be related to the Deni Ute Muster.
One day festival, no camping on site
Proposed Date: Sunday 7th March 2021
5 Acts
Budget for 2,000 Adults
Target demographics 25 - 35. Secondary, families
Local food trucks
Support local community groups

The opening of the Deni Ute Muster Museum/Office complex would be incorporated and held on this date in 2021.

We are excited of the prospect of creating a new festival for Deniliquin to attract visitation on the Victorian Labour Day weekend.

I look forward to your reply.

Kind Regards

Vicky Lowry
General Manager
Deni Play on the Plains Festival Ltd.
Deni Ute Muster

10.9 ENVIRONMENTAL SERVICES REPORT**Author:** Marie Sutton, Acting Manager Environmental Services**Authoriser:** Philip Stone, General Manager**RECOMMENDATION**

That Council note the Environmental Services Report for November 2020

BACKGROUND

Attachment 1 is the Environmental Services report for November 2020

ISSUE/DISCUSSION

N/A

STRATEGIC IMPLICATIONS

N/A

COMMUNITY STRATEGIC PLAN

N/A

FINANCIAL IMPLICATIONS

N/A

LEGISLATIVE IMPLICATIONS

N/A

ATTACHMENTS

1.	Environmental	Services	Report	November	2020
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Current Applications at 30 November 2020					
Application	Property Description	Applicant	Proposal	Date Rec'd	Status
Development Applications/Construction Certificates					
DA 64/18	Lot 153, DP756325, 154 Pakenham Street, Deniliquin	Andrew and Kim Barry	7 lot subdivision	16/10/2018	Awaiting advice from applicant
DA 77/18	Lot 1, & 3 DP1235420 & Lot 5 DP1220715, 227 Cemetery Road & 179-183 Cemetery Road, Deniliquin	Deni Industrial Park Pty Ltd	Staged development Stage 1: Railway freight terminal Stage 2: 13 lot subdivision	4/12/2018	Awaiting advice from applicant/ VicTrack
DA 33/19	Lot 3 DP537791, 812 Old Morago Road, Morago	Ecotech Energy	Install 99kw ground mount solar PV system	14/06/2019	Applicant to provide advice re status of application
DA 47/19	Lot 6 DP264379, 176-178 River Street, Deniliquin	Tony Campbell	Erection of shed for use for residential storage and a home industry	4/09/2019	Applicant to provide advice re status of application
DA 71/19 CC 50/19	Lot 100 DP1061446, Ochertyre Street, Deniliquin	Brunker Fabrications	Camp kitchen and bbq shelter	26/11/2019	Under assessment
DA 34/20 CC 23/20	Lot 12 DP1041961, 951 Wargam Road, Boorooban	William & Diane Hooke	Single new dwelling	28/5/2020	Under assessment
CC 38/20	Lot 1 DP714260 & Lot 530 DO46861, 5-9 Macauley Street, Deniliquin	Blair Architects (Navorina)	Addition of 2 bed wings, admin & services area & car park extension	7/8/2020	Under assessment
DA 60/20	Lot 2 Sec 63 Dp758913, 598-606 Harfleur Street, Deniliquin	John & Vicky Stephens	2 lot subdivision	26/8/2020	Under assessment

DA 61/20	Lot 131 DP1236504, 248 Harfleur Street, Deniliquin	Edward & Jane Glowrey	2 lot subdivision	26/8/2020	Under assessment
DA 64/20 CC 48/20	Lot 8 DP1070187, 300 Poictiers Street, Deniliquin	Decentralised Demountables	Residential shed	16/9/2020	Under assessment
DA 71/20 CC 54/20	Lot 1 DP1132408, 1 Butler Street (Site 236), Deniliquin	Brent Rose	Flyover	24/9/2020	Under assessment
DA 72/20 CC 55/20	Lot 21 DP867574, 443 Hay Road, Deniliquin	Robert Lees	Verandah	29/9/2020	Under assessment
DA 78/20 CC 58/20	Lot 1 DP1010684, 124-136 Hardinge Street, Deniliquin	Decentralised Demountables	Install 2 transportable offices	2/10/2020	Under assessment
DA 80/20	Lot 21 DP873364, 557 Poictiers Street, Deniliquin	Craig Druitt	Single mooring	29/10/2020	Under assessment
DA 83/20	Lot 2 DP588243, 70 Napier Street, Deniliquin	Sharon Ferguson	Change of use – Retail	30/10/2020	Under assessment
S4.55 39/19A	Lot 8 DP228729 & Lot 12 DP235080, 13-15 Butler Street, Deniliquin	Frank & Dianne Rinaldi	Modification – to a 6 lot subdivision	30/10/2020	Under assessment
DA 86/20 CC 61/20	Lot 19 Sec 5 DP758913, 445 George Street, Deniliquin	Michael Small	Dwelling alterations & additions	5/11/2020	Under assessment
DA 87/20 CC 62/20	Lot B DP417741, 280 Victoria Street, Deniliquin	Sam Walker	Residential Shed	2/11/2020	Under assessment

DA 88/20 CC 63/20	Lot 22 DP285499, 7717 Conargo Road, Deniliquin	Angus Boyd	Install a transportable home	5/11/2020	Under assessment
DA 89/20	Lot 173 DP1238664, 586-610 Poictiers Street, Deniliquin	Decentralised Demountables	New double storey residence	22/10/2020	Under assessment
DA 90/20 CC 64/20	Lot 8 Sec 57 DP758782, 371 Hay Road, Deniliquin	Jarryd Pearce	Verandah	16/11/2020	Under assessment
DA 91/20 CC 65/20	Lot C DP412241, 426 Hay Road, Deniliquin	Precise Build Pty Ltd	Dwelling alterations & additions	12/11/2020	Under assessment
DA 92/20 CC 66/20	Lot 85 DP756336, 3995 Cobb Highway, Wanganella	Rhys Tremble Concreting	Hay storage shed	16/11/2020	Under assessment
DA 93/20 CC 67/20	Lot 6 DP234133, 145 Wirraway Drive, Deniliquin	Nicholas Wall	Residential shed	17/11/2020	Under assessment
DA 94/20	Lot 1 DP390342, 313 Mokanger Road, Warragoon	Stephen & Fiona Waters	Open sided shed	18/11/2020	Under assessment
DA 95/20	Lot 2 Sec 25 DP758913, 424 Cressy Street, Deniliquin	Allison Williams	2 lot subdivision	24/11/2020	Under assessment

Complying Development Certificates					
-	-	-	-	-	-

S68 Applications					
S68 2/19	Lot 1 DP1132408, 1 Butler Street, Deniliquin	Adam Rose	Extension to existing site	15/2/2019	Awaiting advice from the applicant
S68 5/20	Lot 153 DP1133106, 5-9 Macauley Street, Deniliquin	Navorina Nursing Home	Water, sewerage & stormwater drainage works	1/5/2020	Awaiting advice from the applicant
S68 23/20	Lot 494 DP722049, 241-247 Barham Road, Deniliquin	Michael Farley	Sewerage works & stormwater drainage	27/11/2020	Under assessment

Applications Determined November 2020				
Application	Property Description	Applicant	Development	Amount
S 4.55 DA 30/15 A	Lot 9 DP790826, 201-209 Hetherington Street, Deniliquin	Peter Hines	Modification to 9 lot subdivision	0.00
DA 65/20	Lot 494 DP722049, 241-247 Barham Road, Deniliquin	Brunker Fabrications	Truck Storage Shed	207,000.00
DA 69/20	Lot 1 DP1038222 560 Henry Street and Lot 20 DP1092087 562 Henry Street, Deniliquin	Susan Ussher	Boundary realignment / subdivision	0.00
DA 74/20	Lot 5 DP181110, 2775 Boooroban Tchelery Road, Boooroban	Lisa McCrabb	Farm stay accommodation in existing shearing quarters	5,000.00

DA 75/20	Lot 1 DP1010684, 124-136 Hardinge Street, Deniliquin	Andrew Amor (Murray Irrigation)	Demolition of shed	1,000.00
DA 81/20	Lot 413 DP756325, 156-164 Hardinge Street, Deniliquin	Purtill Bros Nominees Pty Ltd	Demolition of grain shed	15,000.00
DA 82/20	Lot 9 & 10 DP38309, 41 Fowler Street, Deniliquin	Decentralised Demountables	Demolition of residence and sheds	13,850.00
DA 84/20 CC 59/20	Lot 1 DP1132408, 1 Butler Street (Site 115), Deniliquin	Rohan Franksen	Flyover	3,700.00
DA 85/20 CC 60/20	Lot 9 Sec 105 DP758913, 460 Henry Street, Deniliquin	Bernie Green	Concrete swimming pool	30,000.00
				275,550.00

Processing Times for November 2020		
Application Type	Mean Gross Days	Mean Net Days
DA	33	30
Mod (S4.55) of DA & DA/CC	70	70
CDC	-	-
CC	20	20
S68 Applications	11	11

Value and Number of Applications Determined 2019 and 2020								
Month	DAs 2019	DAs 2020	CDCs 2019	CDCs 2020	S68 2019	S68 2020	Value 2019	Value 2020
January	5	3	1	2	0	-	\$608,750	\$737,500
February	3	3	1	1	0	-	\$397,819	\$89,175
March	4	7	0	-	2	1	\$287,580	\$46,000
April	9	6	2	-	1	-	\$181,439	\$818,000
May	13	5	2	-	0	1	\$864,100	\$205,000
June	6	12	0	-	3	1	\$895,990	\$532,258
July	7	11	2	1	1	1	\$1,287,030	\$983,473
August	6	7	1	-	1	5	\$731,323	\$918,903
September	5	10	1	2	2	2	\$504,965	\$1,153,983
October	6	16	0	2	0	3	\$1,198,000	\$5,484,292.00
November	7	9	0	-	1	2	\$630,900	\$275,550
December	9		0		1		\$12,415,000	
TOTALS	80	9	10	8	12	16	\$20,002,896.00	\$275,550.00
Note: numbers of application determined does not include construction certificates, modifications and applications determined by private certifiers. Value of application determined does not include the value of work for s68 applications.								

Section 149 Certificates/Sewerage Drainage Diagrams

Planning certificates	22
Sewerage drainage diagrams	15

Swimming Pool Inspection Program

Month	1 st Inspection	2 nd Inspection	3 rd Inspection
November	5	0	0

Ranger's Report – November 2020**Companion Animals**

	Cats	Dogs	Other
Animals still impounded	0	0	
Animals seized/surrendered	0	4	
Animals released to owner	0	2	
Animals euthanised	0	0	
Animals rehomed	0	2	
Dogs declared dangerous / menacing	0	0	
Animals microchipped by Council	1	2	
Animals microchipped by Council (Desexing Program)	2	1	
Animals microchipped by Council (quarterly free chipping week)	-	-	
Animals registered	1	5	
Animal registration notices sent	-	-	
Animal fines	0	0	

Clean Up Notices

Property clean up notices	4
Illegal dumping	1

Parking

Parking fines	0
Parking patrols completed	2

Impoundment (Impounding Act 1993)

Vehicles	0
Livestock	0
Euthanised Wildlife	0

Dog Attacks

Date	Details	Victims	Outcome
-	-	-	-

Dog Attacks 2019 and 2020

Month	No. of Incidents		No. of Attacking Dogs		No. of Victims	
	2019	2020	2019	2020	2019	2020
January	4	1	4	1	11	1
February	1	2	2	4	1	29
March	1	2	1	2	4	2
April	1	1	1	1	1	1
May	2	2	3	3	7	2
June	2	CAR website unavailable	2	CAR website unavailable	9	CAR website unavailable
July	4	1	6	1	4	1
August	0	1	0	1	0	3
September	2	4	4	6	6	5
October	3	2	3	1	4	3
November	1	0	1	0	1	0

December	0		0		0	
TOTAL	21	11	27	13	48	39

10.10 ROAD CLOSURES FOR UPCOMING ROADWORKS**Author:** Michael Williams, Project Engineer**Authoriser:** Mark Dalzell, Acting Director Infrastructure**RECOMMENDATION**

That Council approve the implementation of the traffic control plans for works at the intersection of Wood Street and Edwardes Street, and at the intersection of Russell Street and Wilkinson Street, subject to the endorsement of the traffic control plans by all members of the Edward River Council Local Area Traffic Committee.

BACKGROUND

As part of the 2020/21 Operational Plan and road construction projects under the Stronger Communities Fund program, Council shall undertake the following road reconstruction projects:

- Reconstruction of the intersection of Wood Street and Edwardes Street; and
- Reconstruction of road shoulders and kerb and gutter along Russell Street, between Harfleur Street and Henry Street. This shall include the reconstruction of parts of the intersection of Russell Street and Wilkinson Street.

Works on these projects will commence in January 2021 with the Wood Street project due for completion in January and the Russell Street project due for completion in February. Both these projects will require a full road closure of the intersections for a period of more than two days, thereby requiring Council approval for the road closure in accordance with the *Roads Act*.

ISSUE/DISCUSSION

Traffic control plans for the following projects have been included as attachments to this report:

- Reconstruction of the intersection of Wood Street and Edwardes Street is included as Attachment 1. It is anticipated that this road closure will be for four days, and;
- Reconstruction of the intersection of Russell Street and Wilkinson Street is included as Attachment 2. It is anticipated that this road closure will be for two weeks.

As part of the management of these road closures the following actions will be undertake:

- Notifications sent to nearby residents advising them of the road closures,
- Information provided to the Police, emergency services and bus and taxi operators,
- Advertising in the local newspaper and radio station, and;
- Information on Council's website and social media regarding the closures.

LOCAL AREA TRAFFIC COMMITTEE

As the proposed works are longer than two days and shall have a major impact on existing traffic, especially the Wood Street road closure, the endorsement of Council's Local Area Traffic Committee is required. The members of the Traffic Committee include representatives from Council, Transport for NSW (formerly RMS), the state member of parliament through a local representative and Police.

At the time of preparing this report Council staff have notified the members of the committee of the request for road closure, however, have not received any feedback or comment. As any item of business before the committee requires the unanimous endorsement from all members of the committee, any Council approval of the road closure and other changes to the control of traffic shall need the endorsement of all committee members before being implemented. Council staff

continue to work with the members of the committee regarding their endorsement and no issues are expected.

STRATEGIC IMPLICATIONS

It is important that Council manage roadworks and other construction activities so that the impact on the community is minimised as much as possible. This is part of the planning for projects and construction works.

COMMUNITY STRATEGIC PLAN

This closure supports the objectives of *Outcome 4 – A region with quality and sustainable infrastructure* in the Community Strategic Plan, including:

- Target 4.1 – Our built environment is managed, maintained and improved.

FINANCIAL IMPLICATIONS

Costs for the road closures have been included in the project budgets.

LEGISLATIVE IMPLICATIONS

Council, as the road authority for Cressy Street, is responsible for ensuring that works impacting traffic, both vehicular and pedestrian, within the public road reserve are undertaken safely and with as little impact on the community as possible.

ATTACHMENTS

1. **Traffic Control Plan for Road Closure at the intersection of Wood Street and Edwardes Street**
2. **Traffic Control Plan for Road Closure at the intersection of Russell Street and Wilkinson Street**

DATE: 2ND DECEMBER 2020 AUTHOR: ROBYN THORPE
CLIENT: DEN CIVIL & CONSTRUCTION
PLAN ID: 676 WOOD/EDWARDES ST INTERSECTION DENILQUIN
PROJECT: SEALING OF ROAD AND INTERSECTION

TRAFFIC CONTROL NOTES:
1) BOLLARDS TO BE ERECTED ALONG ROAD EDGE
2) VEHICLES TO BE DIRECTED AROUND WORK AREA
3) WORK VEHICLES TO HAVE ONE OPERATIONAL ROTATING LIGHT
4) WORK VEHICLES TO BE PARKED WITHIN WORK AREA.

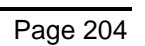
NSW TRAFFIC CONTROLLER TO INSTALL SIGNS AND DEVICES AROUND WORK AREA

www.invarion.com

NEW SOUTH WALES
SAFETY WORK HEALTH & SAFETY
TRAFFIC CONTROL WORK
Robyn Kathina THORPE
SIGNED TCT0063073
DATE 27/07/2024
Date of Issue 28/11/2018
Type of Traffic Control Work
MSP PMZ TCR

REVISIONS		DESCRIPTION	ROL REQ	PERMIT REQ	YES	CLIENT:	TERM:	7 DAYS	INTERSECTION	ROBYN THORPE	676	TCT0063073	JACLYN THORPE	TCT0030619
REV	2/12/2020	SAZ	TC REQ	LOCATION:	WOOD ST	ROAD DESIGN:	50KM/H	PREPARE A WORKZONE TMP	TCT PLAN REF NO:	676	TCT0030619			
				SUBURB:	DENILQUIN	SPEED LIMIT:								
						TRAVEL PATH:								

PLAN IS NOT TO SCALE



10.11 MAJOR PROJECTS PROGRAM - DECEMBER 2020 PROGRESS REPORT**Author:** Nicole Rogers, Project Coordinator**Authoriser:** Mark Dalzell, Acting Director Infrastructure**RECOMMENDATION**

That Council note the Major Projects Program from various funding sources - Progress Report for December 2020.

BACKGROUND

Since amalgamation in 2016, Council has received over \$33,000,000 in funding from State and Federal Government bodies. A breakdown of the funding received is as follows:

Government Funding Body	Funding Amount
Stronger Communities - Round 1 (Original merger funding)	\$10,000,000
Stronger Country Communities – Round 1 (State funding)	\$1,269,841
Stronger Country Communities - Round 2 (State funding)	\$3,371,750
Stronger Communities - Round 2 (Additional merger funding)	\$3,990,000
Stronger Country Communities – Round 3 (State funding)	\$964,500
Building Better Regions (Federal Funding)	\$630,883
Our Rivers Our Region (Federal funding)	\$1,673,080
Drought Communities Program – Round 1 (Federal funding)	\$1,000,000
Drought Communities Program – Round 2 (Federal Funding)	\$1,000,000
Murray Darling Diversification Funding (State funding)	\$750,000
Local Roads and Community Infrastructure Program (State funding)	\$963,190
NSW Showground Stimulus Funding – Memorial Park Showground (State Funding)	\$312,190
HSVPP (Federal Funding), Fixing Country Roads, TfNSW (State Funding) for Maude Road Construction	\$2,917,568
Commonwealth Regional Airport Program (Federal Funding)	\$2,500,000
Fixing Local Roads (TfNSW) Round 1 (State Govt)	\$1,052,055
Local Roads and Infrastructure Program R2 (State funding)	\$880,903
Total Funding Received	\$33,275,960

ISSUE/DISCUSSION

Details regarding the status of current projects are included in Attachment 1 of this report.

Project Updates**Poictiers Street Project**

The Poictiers Street Project has been awarded \$1,052,055 in funding from Round 1 of the Fixing Local Roads program. A condition of this funding is that all work is undertaken by external contractors to stimulate jobs in the community.

Designs for Poictiers Street were completed by Price Merrett consulting and the project was put out to tender in November 2020.

Tenders have been received and evaluated for this project. Tender award recommendations are subject to a separate Council report to this meeting. Reconstruction works on four sections of Poictiers Street, between Russell Street and Burton Street are due to commence in January 2021 and will continue through until approximately May 2021.

Maude Road Project

Council received funding to seal the remaining unsealed 7.6km section of Maude Road, between Moulamein and the local government area border with Hay Shire Council. Funding received for this project includes:

- | | |
|---|-------------|
| • Regional Roads REPAIR 20/21 | \$245,000 |
| • Regional Roads BLOCK Grant 20/21 | \$245,000 |
| • Regional Roads BLOCK Grant 21/22 | \$93,554 |
| • Fixing Country Roads 20/21 and 21/22 | \$1,604,622 |
| • Heavy Vehicle Safety and Productivity Program (HVSPP) | \$729,392 |

Survey and design works, including geotechnical investigations have commenced and will be completed in February 2021. This will allow a tender to be advertised and a contractor engaged in May 2021.

Council's Operational staff will undertake the reconstruction of the first 2.5km of the project from the Moulamein end, commencing in February 2021. This will assist in the completion of the project by the due date for the funding and also clarify the methodology and construction issues that may impact contractors undertaking the remainder of the project.

Civic Precinct – Town Hall

Works are being concentrated to the interior of the building with final stripping of the internal walls and ceilings. This has, however, revealed some structural issues which are being reviewed.

Civic Precinct – Estates Building

The internal walls and ceiling of the building are now completely stripped. The roof and wall timber framing is in outstanding condition. The roof will need additional support as walls are relocated. The Design Consultants are currently finalising the design of these required supports.

The internal safe structure has been removed to make way for a new corridor. The layout of the building is under final review to ensure best fit for the office working space, toilet and kitchen facilities.

Riverfront Development

All major components of the riverfront development are now complete. After consultation with Deniliquin River Users group, a preferred pontoon design has been agreed. The contract for pontoon design and fabrication has been awarded to Bellingham Marine Australia and is currently in design.

Memorial Park – Changerooms and Amenities

Funding for this project was received through the Stronger Country Communities Road 2 programme.

After considerable consultation with the Memorial Park Users Group, Council went out to tender for construction in November 2020.

Council received several submissions; however, all submissions were above the available budget allowed for the construction of these facilities.

Council undertook negotiations with the preferred tenderers to deliver the project within the budget allowance. The awarding of the tender for this project is included in a separate report to this Council meeting.

Construction is due to commence mid-January 2021, with completion in June 2021.

Waring Gardens Upgrade

Works recommenced in Waring Gardens on 9 November 2020 after approvals for an Integrated DA and Section 60 were sought and approved encompassing various Heritage NSW requirements. This has meant a delay to the project of 15 weeks.

Works recommenced with the aim of completing the Cressy Street side of the gardens by Christmas holidays. Works completed include 3 Arbour structures, Edwardes Street corner paving and plantings, concrete DDA footpath to the public amenities building, concrete retaining walls and concrete steps and bridge footings on the Cressy Street side of the Lagoon.

COMMUNITY STRATEGIC PLAN

This report aligns with outcome 1 – *A great place to live* and outcome 4 – *A region with quality and sustainable infrastructure* of the Community Strategic plan

FINANCIAL IMPLICATIONS

Projects funded through these programs include costs for the design, documentation, and supervision costs for each project.

LEGISLATIVE IMPLICATIONS

Council must ensure that these projects are completed within the timeframes set out within the funding agreements.

ATTACHMENTS

1. Major Projects Summary

Funded Projects - Summary Report – December 2020							No
Time, Cost & Quality		Task/Activity – Completed ✓ or Progressing - on Time, Cost and Quality					25
Time, Cost & Quality		Task/Activity – Progressing - requires monitoring and or action to minimise risk of not meeting performanace targets					1
Time, Cost & Quality		Task/Activity – Stalled/Stopped - High Risk or will not meet Performanace Target.					0
Time, Cost & Quality		Task/Activity- Pending - is currently not commenced					5
							Total
							31
Project Phase							
Project Description	Initiation and Communication	Design, Documentation and Approvals	Quotes and Tendering	Delivery and Handover	Code	Comments/Milestones	
STRONGER COMMUNITIES GRANT FUNDING (ORIGINAL)							
Deniliquin Netball Assoc \$160,000 + \$30,000 (Crown Lands Grant)	Complete	Complete	Complete	Pending		• Discussions ongoing with preferred contractors to commence works	
Riverfront Masterplans and Initial Works \$750,000 + \$700,000 + (Stronger Communities Round 2) \$550,000 (Regional Growth Fund)	Complete	Complete	Complete	In Progress		• Contract for Pontoons has been awarded • Pontoon in design	
Town Hall Revitalisation \$435,000 + \$1,315,170 (Stronger Country Communities Round 2I) +- \$329,000 (Unallocated Funding), +\$630,883 (Building Better Regions Fund), \$964,500 (Stronger Country Communities Round 3)	Complete	Complete	Complete	In Progress		• Works on Civic Precinct have commenced • Demountable removed and construction site handed over	
Stronger Community Grant Funding (Original) - Sub-Total \$8,600,000							

STRONGER COMMUNITIES GRANT FUNDING (ROUND 2)						
Riverfront Enhancement \$750,000 + \$550,000 (Regional Growth Fund) +\$750,000 (Stronger Communities Original)	Complete	Complete	Complete	In Progress		<ul style="list-style-type: none"> Contract for Pontoons has been awarded Pontoon in design
Waring Gardens Upgrade \$640,000	Complete	Complete	Complete	In Progress		<ul style="list-style-type: none"> Works recommenced Arbour structures complete Edwardes Street corner paving and plantings Concrete retaining walls and DDA footpath to amenities
Truck Stop Strategic Plan \$10,000	Pending	Pending	Pending	Pending		<ul style="list-style-type: none"> Discussions with stakeholders to be coordinated
Civic Plaza \$390,000	Completed	In Progress	In Progress	In Progress		<ul style="list-style-type: none"> Works on Civic Precinct have commenced.
Deniliquin Ute Muster – Café Facility \$600,000	Complete	Complete	Complete	In Progress		<ul style="list-style-type: none"> To be managed fully by the Deni Play on the Plains Variation of time request approved until Jan21

Stronger Communities Grant Funding (Round 2) – Sub-Total \$3,390,000					
REGIONAL GROWTH FUND					
Riverfront Revitalisation \$550,000 + \$750,000 (Stronger Communities Original), + \$700,000 (Stronger Communities Round 3)	Complete	Complete	Complete	In Progress	<ul style="list-style-type: none"> Work on East and West Riverfront substantially completed. Pontoons contract will be awarded in August and work will progress dependent on Covid-19 restrictions.
CBD Revitalisation \$1,123,080 + \$1,200,000 (Stronger Communities Fund)	Complete	Complete	Complete	In Progress	<ul style="list-style-type: none"> Works 95% complete.
Regional Growth Fund – Sub-Total \$1,673,080					

STRONGER COUNTRY COMMUNITIES GRANT FUNDING (ROUND 2)					
Deniliquin Town Hall & Arts & Cultural Precinct \$1,315,170 + \$435,000 (Stronger Communities Grant Funding Original) +~\$329,000 (Unallocated Funding), + \$630,883 (Building Better Regions Fund), \$964,500 (Stronger Country Communities Round 3)	Complete	In Progress	In Progress	In Progress	<ul style="list-style-type: none"> Work on Civic Precinct have commenced Demountable removed and construction site handed over
Memorial Park \$786,000	Complete	In Progress	Pending	Pending	<ul style="list-style-type: none"> Negotiations with preferred tenderer complete. Contract to be awarded
RAMS Facility \$559,000 + \$130,000	Complete	Complete	Complete	In Progress	<ul style="list-style-type: none"> Awaiting elevator installation – 95% complete
Stronger Country Communities Grant Funding (Round 2) – Sub-Total \$3,371,750					

STRONGER COUNTRY COMMUNITIES GRANT FUNDING (ROUND 3)					
Town Hall \$964,500, + \$1,315,170 (Stronger Country Communities Round 2) + \$435,000 (Stronger Communities Grant Funding Original) +~\$329,000 (Unallocated Funding), + \$630,883 (Building Better Regions Fund)	Complete	In Progress	In Progress	In Progress	<ul style="list-style-type: none"> Works on Civic Precinct have commenced Demountable removed and construction site handed over
North Deni Rest Stop \$300,000	Complete	In Progress	Pending	Pending	<ul style="list-style-type: none"> PM appointed RFQ awarded for survey and design
Stronger Country Communities Grant Funding (Round 3) – Sub-Total \$1,264,500					

DROUGHT COMMUNITIES PROGRAMME FUNDING (ROUND 2)					
Visit Deni Tourism Campaign \$50,000	Pending	Complete	In Progress	In Progress	<ul style="list-style-type: none"> Project commenced
Rural Villages Business Painting \$100,000	Pending	Pending	Pending	Pending	<ul style="list-style-type: none"> Scoping document commenced
Waring Gardens Upgrade \$200,000	Complete	In Progress	In Progress	In Progress	<ul style="list-style-type: none"> Project Plans complete. Architect appointed to complete required design for DA
Signage Strategy Implementation \$140,000	Pending	Pending	Pending	Pending	<ul style="list-style-type: none"> Scoping document commenced

Rotary Park (clubrooms and pitches) \$200,000	Completed	In Progress	In Progress	In Progress		• Building assessment complete
Deniliquin Town Hall – Civic Plaza \$210,000	Completed	Complete	In Progress	In Progress		• Works on Civic Precinct have commenced
North Tennis Court Redevelopment \$100,000	Completed	In Progress	In Progress	In Progress		• PM appointed • RFQ awarded for survey and design
Drought Communities Programme Funding (Round 2) – Sub-Total \$1,000,000						

BUILDING BETTER REGIONS FUND						
Town Hall \$630,883 + \$964,500 (Stronger Country Communities Round 3), + \$1,315,170 (Stronger Country Communities Round 2) + \$435,000 (Stronger Communities Grant Funding Original) + \$329,000 (Unallocated Funding),	Complete	Complete	Complete	In Progress		• Works on Civic Precinct have commenced
Building Better Regions Fund – Sub-Total \$630,883						

Local Roads and Community Infrastructure Program Funding						
Community Facilities Refurbishment (\$350,000)	Complete	In Progress	Pending	Pending		• Scoping documents commenced • PM appointed
Deni Visitor Information Centre & V+CS area (\$200,000)	Complete	In Progress	Pending	Pending		• Scoping documents commenced • PM appointed
Airport Hangar Refurb (\$100,000)	Complete	In Progress	Pending	Pending		• Scoping documents commenced • PM appointed
Urban & Rural Cemeteries (\$180,000)	Complete	In Progress	Pending	Pending		• Scoping documents commenced • PM appointed
Memorial Park Amenities Upgrade (\$153,170)	Complete	In Progress	Pending	Pending		• Scoping documents complete. PM appointed
Off Leash Dog Park (\$80,000)	Complete	Pending	Pending	Pending		• Scoping documents commenced. PM Appointed
Sub-Total \$963,170						

Infrastructure NSW						
Maude Road Reconstruction	Complete	In Progress	Pending	Pending		• Scoping document commenced
Restart NSW - Sub-Total \$3.2M						

Commonwealth Regional Airport Program – Round 1						
Denilquin Aerodrome Upgrade (loan by ERC to source additional \$2.5m for 50:50) 20/21 - \$1,250,000 21/22 - \$1,250,000	Complete	In Progress	Pending	Pending		<ul style="list-style-type: none"> Scoping document commenced RFQ for Survey and Designs sent out for Design and Construct PM Appointed
Commonwealth Regional Airport Program Fund – Sub-Total \$2,500,000						

Infrastructure NSW						
Fixing Local Roads – Poitiers Street	In Progress	Pending	Pending	Pending		<ul style="list-style-type: none"> Tender to be awarded
Restart NSW - Sub-Total \$1,052,055M						

Local Roads and Community Infrastructure Program Funding Round 2						
Shortfall in Funding from Round 1, LRCI (\$100,000)	Pending	Pending	Pending	Pending		<ul style="list-style-type: none"> Deed not yet received
Footpath replacement and upgrade (\$380,000)	Pending	Pending	Pending	Pending		<ul style="list-style-type: none"> Deed not yet received
Skatepark Renewal Work (\$60,000)	Pending	Pending	Pending	Pending		<ul style="list-style-type: none"> Deed not yet received
Fencing Island Sanctuary (\$60,000)	Pending	Pending	Pending	Pending		<ul style="list-style-type: none"> Deed not yet received
Rural Gravel Road Renewal and Upgrade	Pending	Pending	Pending	Pending		<ul style="list-style-type: none"> Deed not yet received
Sub-Total \$880,903						

PROJECT SUMMARY NOTES	
<p>Summary, most projects are progressing well with only a few highlighted in Red that will require stringent management and action to bring them under control.</p> <p>The projects in Yellow will need attention to detail to ensure that they progress to the agreed Time, Quality & Cost outcomes.</p> <p>Other challenges that face council staff and project delivery is access to quality project managers that will be required to complete all Stronger Community grants by the agreed timelines. Staff are currently in discussion with managers to source the required resources. All costs will be recovered as part of the project delivery costs. Existing council staff and contractors are working extremely well in keeping most projects on Time, Cost and Quality.</p>	

11 NOTICES OF MOTIONS

Nil

12 QUESTIONS WITH NOTICE

Nil

13 CONFIDENTIAL MATTERS**RECOMMENDATION**

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

13.1 Contract C2021/05 - Poitiers Street Reconstruction 20/21

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

13.2 Barham Road Site

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

13.3 C2021/04 - Construction of Memorial Park Changerooms and Public Amenities

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

14 CLOSE OF MEETING