



Investment Report

01/11/2020 to 30/11/2020

Portfolio Valuation as at 30/11/2020

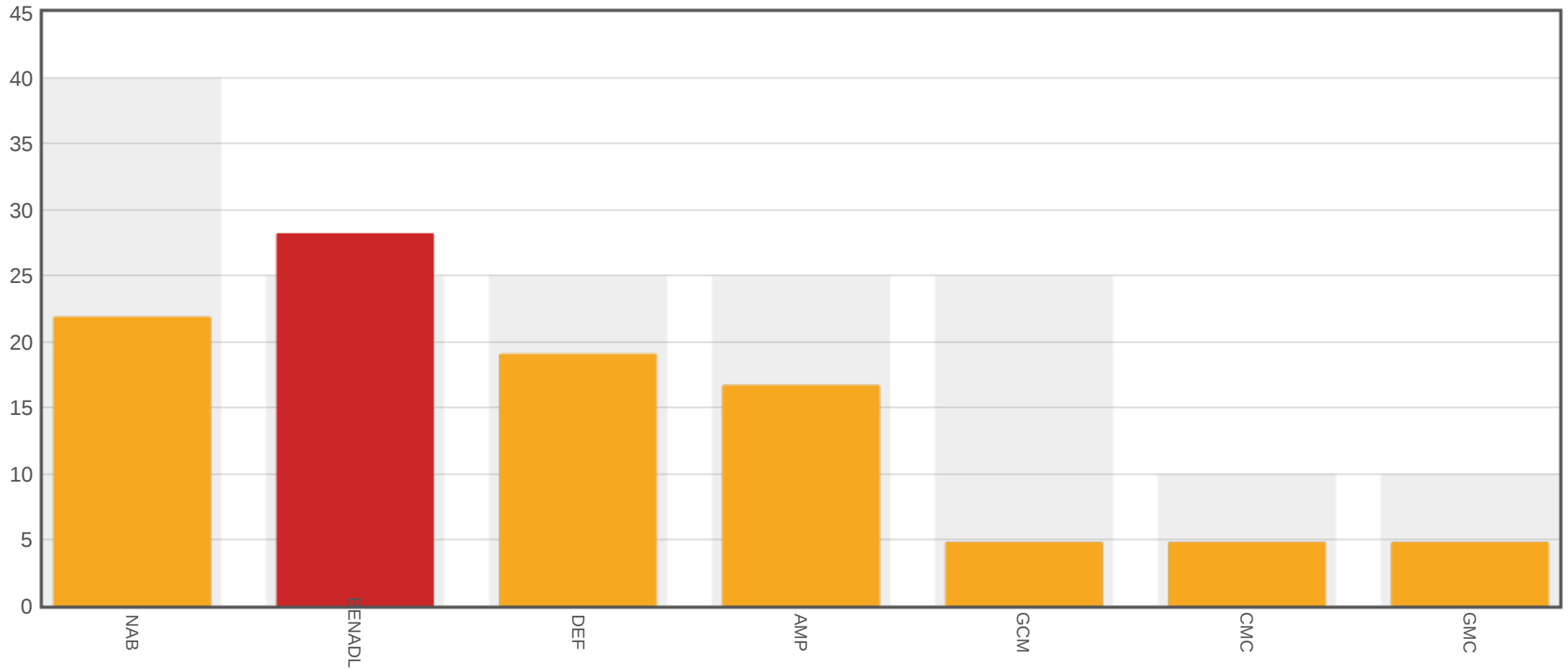
Issuer	Rating	Type	Alloc	Interest	Purchase	Maturity	Rate	Value	Accrued	Accrued MTD
Defence Bank	A-2	TD	GENERAL	At Maturity	11/01/2020	11/01/2021	1.7000	2,000,000.00	30,273.97	2,794.52
AMP Bank	A-2	TD	GENERAL	At Maturity	23/03/2020	23/03/2021	1.7500	2,000,000.00	24,260.27	2,876.71
Defence Bank	A-2	TD	GENERAL	At Maturity	04/04/2020	06/04/2021	1.6500	2,000,000.00	21,789.04	2,712.33
G&C Mutual Bank	A-2	TD	GENERAL	At Maturity	06/04/2020	06/04/2021	1.7000	2,000,000.00	22,263.01	2,794.52
Goulburn Murray Credit Union	Unrated	TD	GENERAL	At Maturity	13/05/2020	13/05/2021	1.3000	2,000,000.00	14,389.04	2,136.99
AMP Bank	A-2	TD	GENERAL	At Maturity	24/11/2020	24/05/2021	0.7000	1,000,000.00	134.25	134.25
AMP Bank	A-2	TD	GENERAL	At Maturity	30/11/2020	31/05/2021	0.7000	2,000,000.00	38.36	38.36
Defence Bank	A-2	TD	GENERAL	At Maturity	29/06/2020	29/06/2021	1.3500	2,000,000.00	11,465.75	2,219.18
Defence Bank	A-2	TD	GENERAL	At Maturity	31/08/2020	31/08/2021	0.8000	2,000,000.00	4,032.88	1,315.07
Central Murray Credit Union	Unrated	TD	GENERAL	At Maturity	31/08/2020	31/08/2021	1.0000	2,000,000.00	5,041.10	1,643.84
Bendigo and Adelaide	A-2	TD	GENERAL	At Maturity	13/09/2020	13/09/2021	0.8500	2,000,000.00	3,679.45	1,397.26
Bendigo and Adelaide	A-2	TD	GENERAL	At Maturity	26/09/2020	27/09/2021	0.8000	2,000,000.00	2,893.15	1,315.07
Bendigo and Adelaide	A-2	TD	GENERAL	At Maturity	28/09/2020	28/09/2021	0.8000	5,000,000.00	7,013.70	3,287.67
AMP Bank	A-2	TD	GENERAL	At Maturity	19/10/2020	19/10/2021	0.6000	2,000,000.00	1,413.70	986.30
NAB	A-1+	TD	GENERAL	At Maturity	18/11/2020	18/11/2021	0.5500	2,000,000.00	391.78	391.78
NAB	A-1+	CASH	GENERAL	Monthly	30/11/2020	30/11/2020	0.0000	7,176,623.38	-	-
Bendigo and Adelaide	A-2	CASH	GENERAL	Monthly	30/11/2020	30/11/2020	0.0000	2,835,725.18	-	-
TOTALS								42,012,348.56	149,079.45	26,043.84

Counterparty Compliance as at 30/11/2020

Short Term Investments

Compliant	Bank Group	Term	Rating	Invested	Invested (%)	Limit (%)	Limit (\$)	Available
✓	NAB	Short	A-1+	9,176,623.38	21.84	40.00	-	7,628,316.04
✗	Bendigo and Adelaide	Short	A-2	11,835,725.18	28.17	25.00	-	-1,332,638.04
✓	Defence Bank	Short	A-2	8,000,000.00	19.04	25.00	-	2,503,087.14
✓	AMP Bank	Short	A-2	7,000,000.00	16.66	25.00	-	3,503,087.14
✓	G&C Mutual Bank	Short	A-2	2,000,000.00	4.76	25.00	-	8,503,087.14
✓	Central Murray Credit Union	Short	Unrated	2,000,000.00	4.76	10.00	-	2,201,234.86
✓	Goulburn Murray Credit Union	Short	Unrated	2,000,000.00	4.76	10.00	-	2,201,234.86
TOTALS				42,012,348.56	100.00			

Counterparty Compliance - Short Term Investments

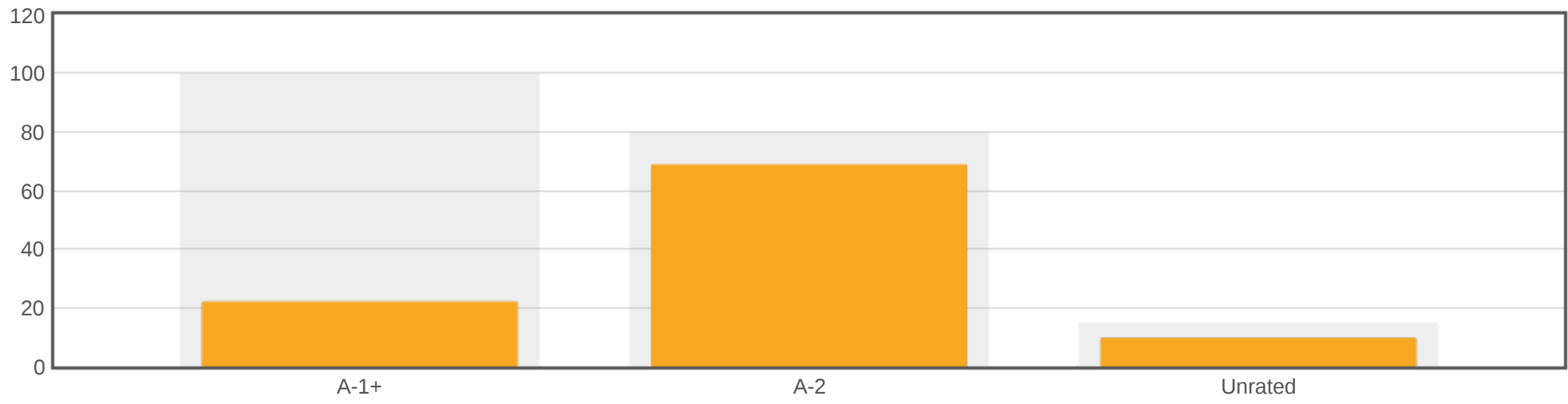


Credit Quality Compliance as at 30/11/2020

Short Term Investments

Compliant	Rating	Invested (\$)	Invested (%)	Limit (%)	Available
✓	A-1+	9,176,623.38	21.84	100.00	32,835,725.18
✓	A-2	28,835,725.18	68.64	80.00	4,774,153.67
✓	Unrated	4,000,000.00	9.52	15.00	2,301,852.28
TOTALS		42,012,348.56	100.00		

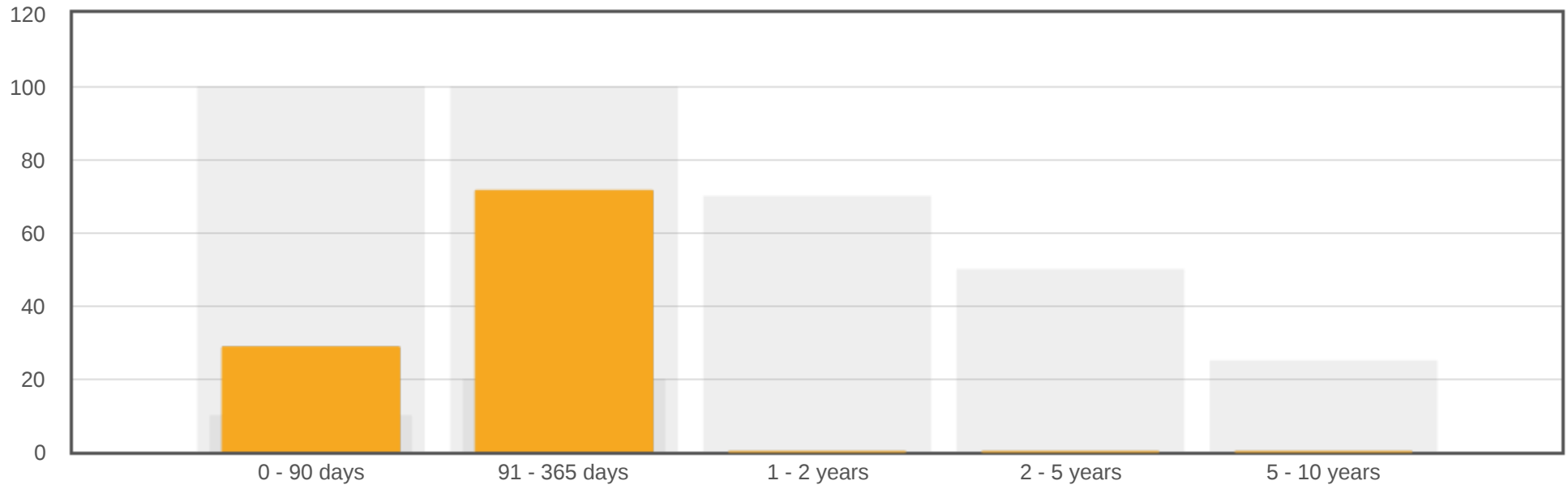
Credit Quality Compliance - Short Term Investments



Maturity Compliance as at 30/11/2020

Compliant	Term	Invested	Invested (%)	Min Limit (%)	Max Limit (%)	Available
✓	0 - 90 days	12,012,348.56	28.59	10.00	100.00	30,000,000.00
✓	91 - 365 days	30,000,000.00	71.41	20.00	100.00	12,012,348.56
✓	1 - 2 years	-	0.00	0.00	70.00	29,408,643.99
✓	2 - 5 years	-	0.00	0.00	50.00	21,006,174.28
✓	5 - 10 years	-	0.00	0.00	25.00	10,503,087.14
TOTALS		42,012,348.56	100.00			

Maturity Compliance



Portfolio Comparison

From: 31/10/2020 To: 30/11/2020

Issuer	Rating	Type	Rate	Purchase	Maturity	Interest	31/10/2020	30/11/2020	Difference
NAB	A-1+	TD	1.4500	20/11/2019	19/11/2020	At Maturity	2,000,000.00	-	-2,000,000.00
AMP Bank	A-2	TD	1.6500	25/05/2020	23/11/2020	At Maturity	1,000,000.00	-	-1,000,000.00
AMP Bank	A-2	TD	1.6000	01/06/2020	30/11/2020	At Maturity	2,000,000.00	-	-2,000,000.00
Defence Bank	A-2	TD	1.7000	11/01/2020	11/01/2021	At Maturity	2,000,000.00	2,000,000.00	-
AMP Bank	A-2	TD	1.7500	23/03/2020	23/03/2021	At Maturity	2,000,000.00	2,000,000.00	-
G&C Mutual Bank	A-2	TD	1.7000	06/04/2020	06/04/2021	At Maturity	2,000,000.00	2,000,000.00	-
Defence Bank	A-2	TD	1.6500	04/04/2020	06/04/2021	At Maturity	2,000,000.00	2,000,000.00	-
Goulburn Murray Credit Union	Unrated	TD	1.3000	13/05/2020	13/05/2021	At Maturity	2,000,000.00	2,000,000.00	-
AMP Bank	A-2	TD	0.7000	24/11/2020	24/05/2021	At Maturity	-	1,000,000.00	1,000,000.00
AMP Bank	A-2	TD	0.7000	30/11/2020	31/05/2021	At Maturity	-	2,000,000.00	2,000,000.00
Defence Bank	A-2	TD	1.3500	29/06/2020	29/06/2021	At Maturity	2,000,000.00	2,000,000.00	-
Defence Bank	A-2	TD	0.8000	31/08/2020	31/08/2021	At Maturity	2,000,000.00	2,000,000.00	-
Central Murray Credit Union	Unrated	TD	1.0000	31/08/2020	31/08/2021	At Maturity	2,000,000.00	2,000,000.00	-
Bendigo and Adelaide	A-2	TD	0.8500	13/09/2020	13/09/2021	At Maturity	2,000,000.00	2,000,000.00	-
Bendigo and Adelaide	A-2	TD	0.8000	26/09/2020	27/09/2021	At Maturity	2,000,000.00	2,000,000.00	-
Bendigo and Adelaide	A-2	TD	0.8000	28/09/2020	28/09/2021	At Maturity	5,000,000.00	5,000,000.00	-
AMP Bank	A-2	TD	0.6000	19/10/2020	19/10/2021	At Maturity	2,000,000.00	2,000,000.00	-

Issuer	Rating	Type	Rate	Purchase	Maturity	Interest	31/10/2020	30/11/2020	Difference
NAB	A-1+	TD	0.5500	18/11/2020	18/11/2021	At Maturity	-	2,000,000.00	2,000,000.00
Bendigo and Adelaide	A-2	CASH	0.0000	31/10/2020	31/10/2020	Monthly	2,309,632.42	2,835,725.18	526,092.76
NAB	A-1+	CASH	0.0000	31/10/2020	31/10/2020	Monthly	6,246,846.70	7,176,623.38	929,776.68
TOTALS							40,556,479.12	42,012,348.56	1,455,869.44

Trades in Period

From: 01/11/2020 To: 30/11/2020

New Trades

Issuer	Rating	Type	Alloc	Interest	Purchase	Maturity	Rate	Value	Ref
NAB	A-1+	TD	GENERAL	At Maturity	18/11/2020	18/11/2021	0.5500	2,000,000.00	143/18
AMP Bank	A-2	TD	GENERAL	At Maturity	24/11/2020	24/05/2021	0.7000	1,000,000.00	133/17
AMP Bank	A-2	TD	GENERAL	At Maturity	30/11/2020	31/05/2021	0.7000	2,000,000.00	125/16
TOTALS								5,000,000.00	

Sell Trades

Issuer	Rating	Type	Alloc	Interest	Purchase	Maturity	Sell	Rate	Value	Ref
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No entries for this item

Matured Trades

Issuer	Rating	Type	Alloc	Interest	Purchase	Maturity	Rate	Value	Ref
NAB	A-1+	TD	GENERAL	At Maturity	20/11/2019	19/11/2020	1.4500	2,000,000.00	143/18
AMP Bank	A-2	TD	GENERAL	At Maturity	25/05/2020	23/11/2020	1.6500	1,000,000.00	133/17
AMP Bank	A-2	TD	GENERAL	At Maturity	01/06/2020	30/11/2020	1.6000	2,000,000.00	TD 125/16
TOTALS								5,000,000.00	

Interest Received in Period

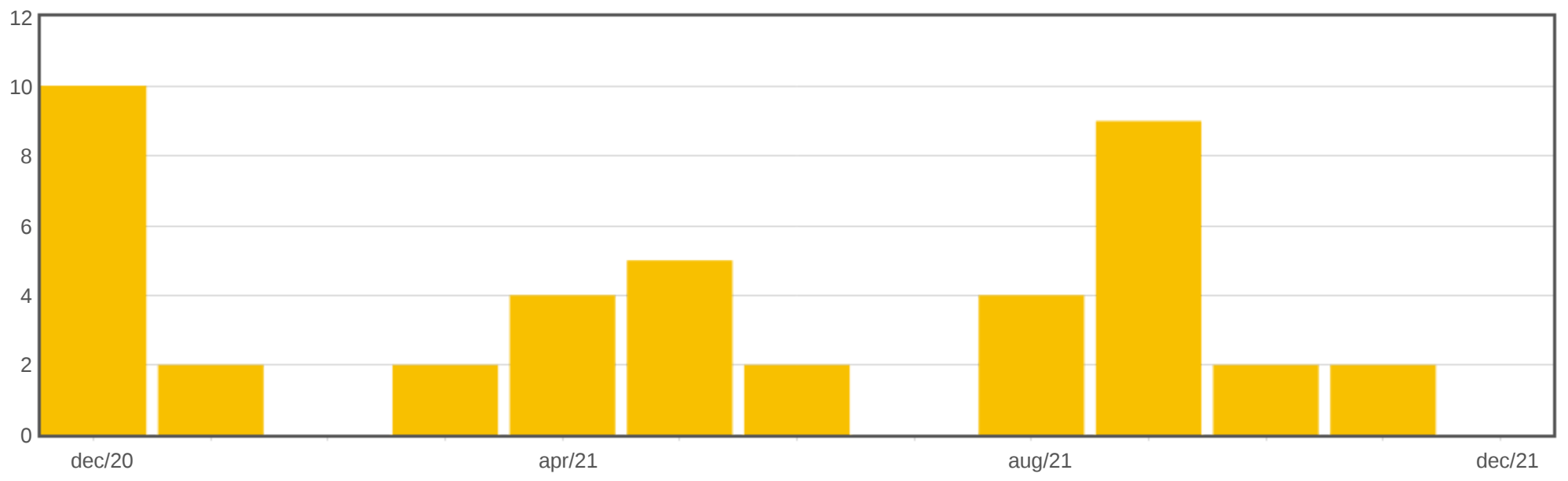
From: 01/11/2020 To: 30/11/2020

Periodic Interest

Issuer	Rating	Type	Alloc	Frequency	Value	Purchase	Maturity	Coupon Date	Type	Rate	Received
NAB	A-1+	TD	GENERAL	At Maturity	2,000,000.00	20/11/2019	19/11/2020	19/11/2020	Maturity	1.4500	29,000.00
AMP Bank	A-2	TD	GENERAL	At Maturity	1,000,000.00	25/05/2020	23/11/2020	23/11/2020	Maturity	1.6500	8,227.40
AMP Bank	A-2	TD	GENERAL	At Maturity	2,000,000.00	01/06/2020	30/11/2020	30/11/2020	Maturity	1.6000	15,956.16
TOTALS					5,000,000.00						53,183.56

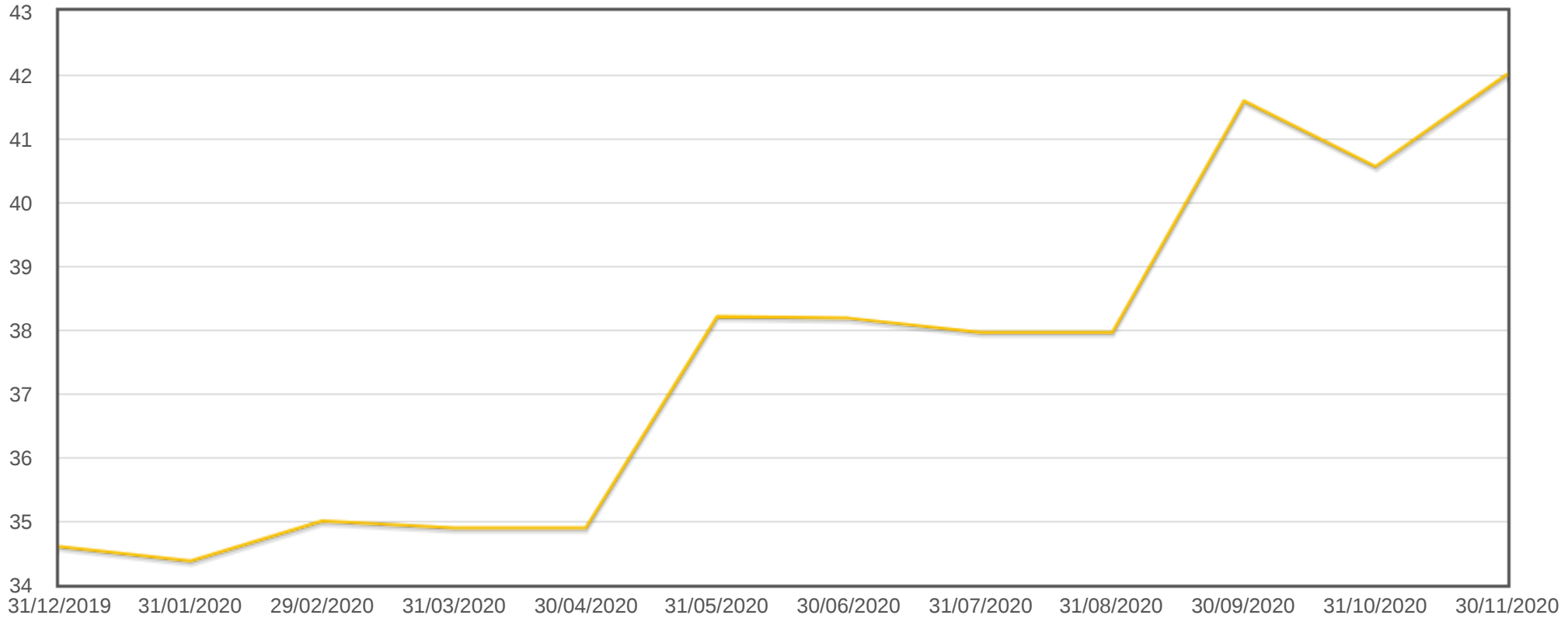
Maturity Cashflow as at 30/11/2020

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2020	-	-	-	-	-	-	-	-	-	-	-	10,012,348	10,012,348.56
2021	2,000,000	-	2,000,000	4,000,000	5,000,000	2,000,000	-	4,000,000	9,000,000	2,000,000	2,000,000	-	32,000,000.00
TOTALS													42,012,348.56



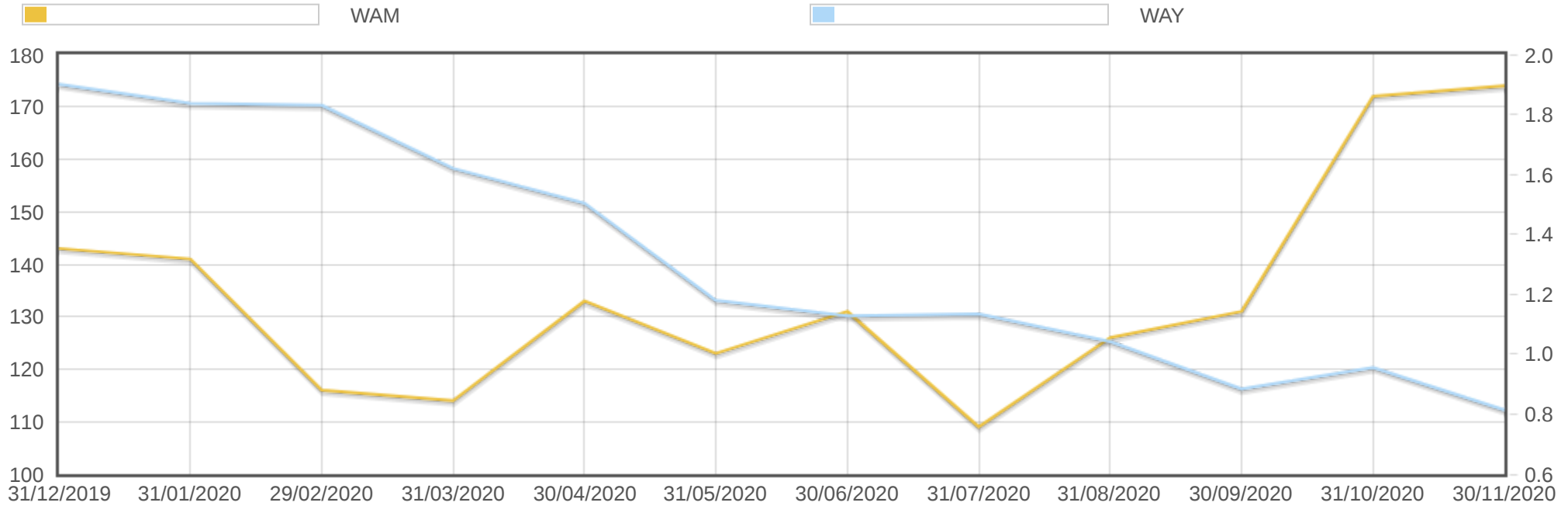
Historical Portfolio Balances (in MM) as at 30/11/2020

31/12/2019	31/01/2020	29/02/2020	31/03/2020	30/04/2020	31/05/2020	30/06/2020	31/07/2020	31/08/2020	30/09/2020	31/10/2020	30/11/2020
34.60	34.37	35.00	34.89	34.89	38.21	38.18	37.96	37.96	41.59	40.56	42.01



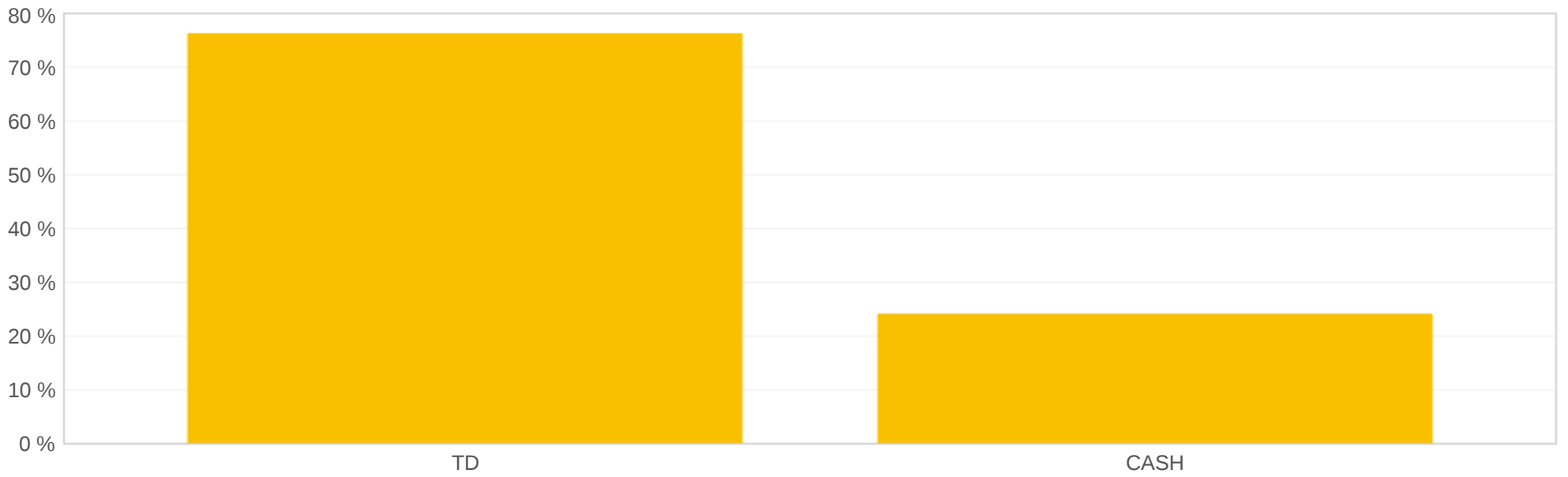
Historical Ratios as at 30/11/2020

	31/12/2019	31/01/2020	29/02/2020	31/03/2020	30/04/2020	31/05/2020	30/06/2020	31/07/2020	31/08/2020	30/09/2020	31/10/2020	30/11/2020
WAM	143	141	116	114	133	123	131	109	126	131	172	174
WAY	1.9006	1.8363	1.8303	1.6196	1.5032	1.1789	1.1276	1.1340	1.0418	0.8836	0.9555	0.8140



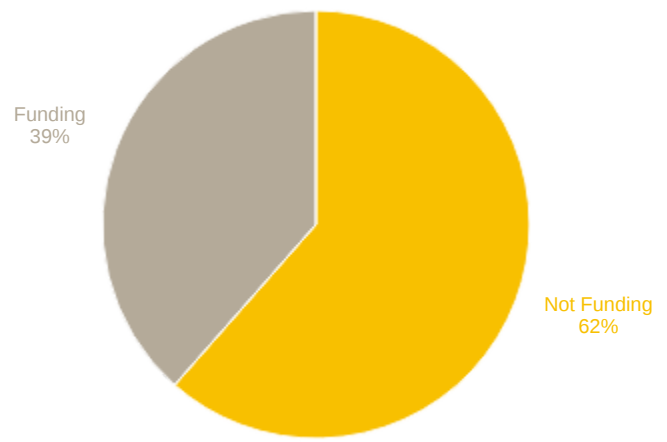
Asset Class as at 30/11/2020

Code	Number of Trades	Invested	Invested (%)
TD	16	32,000,000.00	76.17
CASH	2	10,012,348.56	23.83
TOTALS	17	42,012,348.56	100.0



ADIs funding fossil fuels as at 30/11/2020

	Number of Trades	Invested	Invested (%)
Not funding fossil fuels	11	25,835,725.18	61.5
Funding fossil fuels	7	16,176,623.38	38.5





Monthly Investment Report

November 2020



IMPERIUM MARKETS

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Impact of COVID-19 to Council's Portfolio

COVID-19 has adversely impacted financial markets, which in turn, has also affected Council's investment portfolio. We provide a quick summary in this section.

With regards to financial markets, of importance was the RBA cutting interest rates twice in March 2020, taking the official cash rate down to 0.25%. Shares (equities) experienced a significant correction in March but recovered substantially due to the unprecedented fiscal and monetary policy support from global central banks and governments, as well as pricing in an early distribution of a vaccine. November saw a strong return for equities both domestically and internationally. **The RBA also cut rates to record lows on 3rd November 2020 to 0.10%.**

With regards to the medium-longer term outlook for financial markets, of importance is the RBA's outlook and stance on the current situation:

1. The RBA's official cash rate will remain unchanged at its emergency level of 0.10% until its objectives of full employment and inflation are reached. They stressed that unemployment was a "national priority" and the development in the labour market as key to the policy outlook;
2. The extension of the Term Funding Facility (TFF) until 30 June 2021, allowing all ADIs to access cheap funding directly from the RBA at a cost of 0.10% for 3 years for new drawings (the facility was previously available at a cost of 0.25% and was increased from an original \$90bn to \$200bn);
3. RBA Governor Lowe has commented that he has not seen any signs of stress in the financial system from this crisis because unlike the GFC, the banks have cash and are well capitalised;
4. **The RBA Board is "not expecting to increase the cash rate for at least three years".**

The biggest impact to Council's investment portfolio is with regards to its largest exposure being assets held in bank term deposits, which accounts for around ~76% of Council's total investment, and cash (~24% of the total investment portfolio). **The biggest risk that council faces over the medium-longer term in this environment is not the potential loss of capital (given all the banks are well capitalised and regulated by APRA), but the rapid loss of interest income as interest rates have plummeted.**

Council's term deposit portfolio was yielding 1.07% p.a. at month-end, with a weighted average duration of around 226 days or ~7½ months. **This short average duration will provide some income protection against the low interest rate environment over the immediate future.** As existing deposits mature however, they will inevitably be reinvested at much lower prevailing rates.

Given official rates have fallen to record lows, Council is likely to see a rapid decline in interest income over future financial years. Its budgeted income over the medium-longer term needs to be revised to reflect the low interest rate environment. Returns between 0.50%-0.80% p.a. may potentially be the "norm" over the next few financial years.

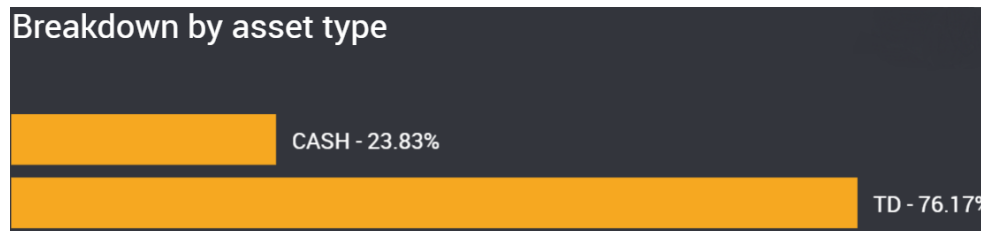
Council’s Portfolio & Compliance

Asset Allocation

As at the end of November 2020, the majority of the portfolio is directed to fixed term deposits (76.17%). The remainder of the portfolio is held in NAB and Bendigo-Adelaide cash accounts (23.83%), which remains at relatively high levels and will cause a drag to performance.

We would consider introducing liquid senior floating rate notes (FRNs), if there are attractive offers in the primary and secondary market. This will not only offer additional upside with regards to the portfolio’s investment returns, but also provide additional liquidity (FRNs are saleable – generally accessible within 2 business days). The higher rated ADIs also tend to dominate primary (new) and secondary market FRNs and so the overall portfolio’s credit quality may naturally increase.

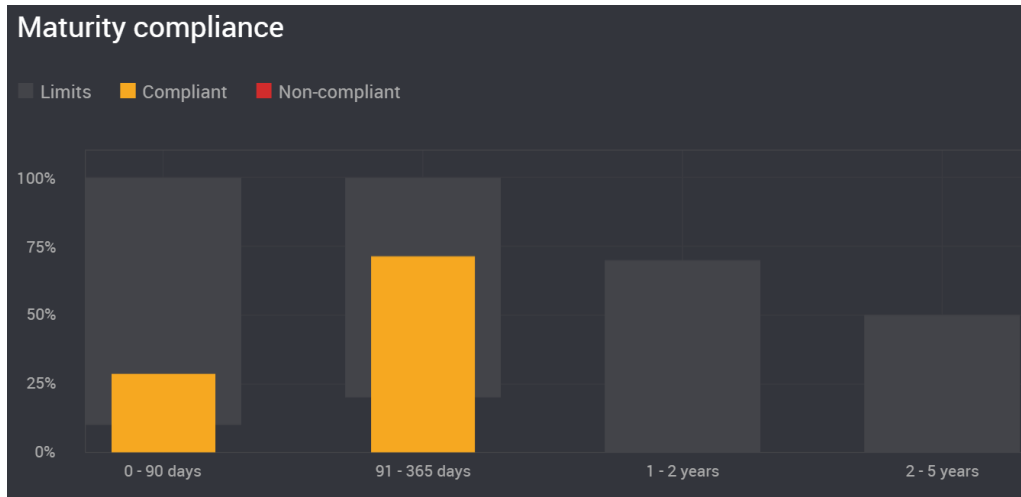
With the RBA cutting interest rates in November to 0.10%, the priority should be to lock in any remaining attractive medium-longer dated fixed deposits that may still be available to address reinvestment risk as margins continue to compress.



Council’s Investment Policy does not specify any limits for Maturity, Counterparty and Credit Quality compliance measures. In the following sections, we have tentatively placed what other NSW councils have adopted as part of their compliance limits. If required, we can provide Berrigan Shire Council an Investment Policy review in the immediate future.

Term to Maturity

The portfolio is highly liquid with a large proportion of the investment portfolio maturing within 3 months (28½%). We recommend a more diversified maturity profile to address reinvestment risk, which has been and continues to be a major detriment towards Council’s interest income going forward.



Where ongoing liquidity requirements permit Council to invest in attractive 1-5 year investments, we recommend this be allocated fixed term deposits (refer to respective sections below).

Compliant	Horizon	Invested (\$)	Invested (%)	Min. Limit (%)	Max. Limit (%)	Available (\$)
✓	0 - 90 days	\$12,012,349	28.59%	10%	100%	\$30,000,000
✓	91 – 365 days	\$30,000,000	71.41%	20%	100%	\$12,012,349
✓	1 – 2 years	\$0	0.00%	0%	70%	\$29,408,644
✓	2 – 5 years	\$0	0.00%	0%	50%	\$21,006,174
		\$42,012,349	100.00%			

Counterparty

As at the end of November 2020, Council had a slight overweight position to Bendigo-Adelaide, partially driven by funds held in an overnight cash account. Overall, the portfolio is lightly diversified, with some exposure to the unrated ADIs.

Compliant	Issuer	Rating	Invested (\$)	Invested (%)	Max. Limit (%)	Available (\$)
✓	NAB	A-1+	\$9,176,623	21.84%	40.00%	\$7,628,316
✓	AMP Bank	A-2	\$7,000,000	16.66%	25.00%	\$3,503,087
X	Bendigo-Adel.	A-2	\$11,835,725	28.17%	25.00%	-\$1,332,638
✓	Defence Bank	A-2	\$8,000,000	19.04%	25.00%	\$2,503,087
✓	G&C Mutual	A-3	\$2,000,000	4.76%	15.00%	\$4,301,852
✓	Central Murray	Unrated	\$2,000,000	4.76%	10.00%	\$2,201,235
✓	Goulburn Murray	Unrated	\$2,000,000	4.76%	10.00%	\$2,201,235
			\$42,012,349	100.00%		

In September 2020, ratings agency **S&P downgraded AMP Bank by one notch to “BBB”** stating its view that *“the overall creditworthiness of the AMP group is weaker”* and that *“the group is exposed to challenges that may disrupt its overall strategic direction and its ability to effectively execute its strategy.”*

We have no issues with Council’s investments with both AMP Bank, given they are super-senior ranked assets, extremely low risk and high up the bank capital structure.

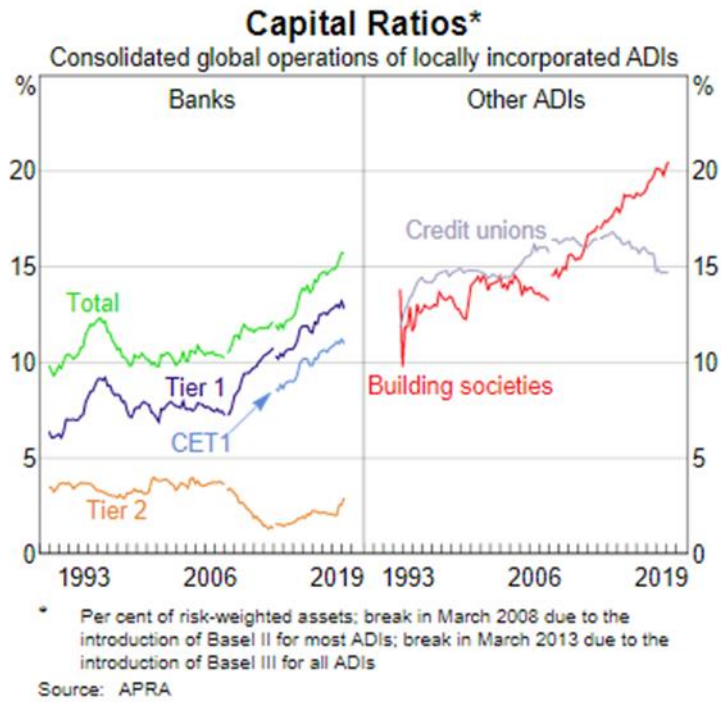
We remain supportive of the regional and unrated ADI sector (and have been even throughout the GFC period). They continue to remain solid, incorporate strong balance sheets, while exhibiting high levels of capital – typically, much higher compared to the higher rated ADIs. Some unrated ADIs have up to 25-40% more capital than the domestic major banks, and well above the Basel III requirements.

RBA Governor Lowe has recently commented that they have not seen any signs of stress in the financial system and that unlike during the GFC, the banks (all ADIs) now have cash, are well capitalised and are acting as “shock absorbers” in the current crisis.

Overall, the lower rated ADIs (BBB and unrated) are generally now in a better financial position than they have been historically (see the Capital Ratio figure below). We believe that deposit investments with the lower rated ADIs should be continued going forward, particularly when they offer ‘above market’ specials. Not only would it diversify the investment portfolio and reduce credit risk, it would also improve the portfolio’s overall returns.

In the current environment of high regulation and scrutiny, all domestic (and international) ADIs continue to carry high levels of capital. There is minimal (if any) probability of any ADI defaulting on their deposits going forward – this was stress tested during the GFC. **APRA’s mandate is to “protect depositors” and provide “financial stability”.**

The biggest single risk that depositors face in the current low interest rate environment is not capital or credit risk, but reinvestment risk. Interest rates are now at their effective lower bound of 0.10%.



Credit Quality

Council did not have an overweight position to any category as at the end of November. The portfolio remains well diversified from a ratings perspective, with some exposure down to the local credit unions.

From a ratings perspective, the “BBB” / “A-2” rated banks now generally dominate the number of ADIs issuing deposits within the investment grade space. We anticipate more investors will naturally allocate a higher proportion of their assets into this sector (on a historical basis), considering the most attractive assets from senior debt securities are generally offered by these ADIs.

Compliant	Credit Rating	Invested (\$)	Invested (%)	Max. Limit (%)	Available (\$)
✓	A-1+ Category	\$9,176,623	22%	100%	\$32,835,725
✓	A-1 Category	\$0	0%	100%	\$42,012,349
✓	A-2 Category	\$26,835,725	64%	80%	\$6,774,154
✓	A-3 Category	\$2,000,000	5%	20%	\$6,402,470
✓	Unrated ADI Category	\$4,000,000	10%	15%	\$2,301,852
		\$42,012,349	100.00%		

Performance

Council’s performance for the month ending 30 November 2020 is summarised as follows:

Performance	1 month	3 months	6 months	FYTD	1 year
Official Cash Rate	0.01%	0.05%	0.11%	0.09%	0.36%
AusBond Bank Bill Index	0.01%	0.03%	0.05%	0.04%	0.44%
Council’s T/D Portfolio[^]	0.10%	0.32%	0.72%	0.58%	1.67%
Outperformance	0.09%	0.29%	0.67%	0.54%	1.23%

[^]Total portfolio performance excludes Council’s cash account holdings. Overall returns would be lower if cash was included.

For the month of November 2020, the deposit portfolio provided a solid return of +0.10% (actual), outperforming the benchmark AusBond Bank Bill Index return by +0.09% (actual). The outperformance continues to be driven by a combination of those deposits originally invested beyond 6 months.

Going forward, with the low interest rate environment (depleted cash rate), maturing deposits will inevitably be reinvested at lower prevailing rates. The reduction in interest income over coming years can be mitigated by undertaking a longer duration position.

Investors using the Imperium Markets platform have reduced the invisible costs associated with brokerage, and thereby lift client portfolio returns as investors are able to deal in deposits directly with the ADIs and execute at the best price possible.

Council’s Term Deposit Portfolio & Recommendation

As at the end of November 2020, Council’s deposit portfolio was yielding 1.07% p.a. (down 14bp from the previous month), with an average duration of around 226 days (~7½ months).

We recommend Council extends this average duration. In the low interest rate environment, the biggest collective risk that the local government sector has faced over the post-GFC era has been the dramatic fall in interest rates - from 7¼% to the historical low levels of 0.10%.

As the past decade has highlighted (post-GFC era), we have seen too many portfolios’ roll a high proportion of their deposits between 3-6 months, resulting in their deposits being reinvested at lower prevailing rates. That is, depositors have overpaid for liquidity and generally not insured themselves against the low interest rate environment by diversify their funding across various tenors (out to 5 years) but rather placed all their ‘eggs in one basket’ and kept all their deposits short. **Reinvestment risk has collectively been and continues to be the biggest detriment to depositors’ interest income over the post-GFC period.**

At the time of writing, we see value in:

ADI	LT Credit Rating	Term	T/D Rate
ICBC, Sydney	A	5 years	1.15% p.a.
ICBC, Sydney	A	4 years	1.00% p.a.
AMP	BBB	18 months	^0.95% p.a.
NAB	AA-	5 years	0.90% p.a.
ICBC, Sydney	A	3 years	0.80% p.a.
NAB	AA-	4 years	0.75% p.a.
ICBC, Sydney	A	2 years	0.70% p.a.
NAB	AA-	3 years	0.65% p.a.

[^] AMP T/Ds – these are grossed up rates which includes a 0.20% p.a. rebated commission from Imperium Markets

The above deposits are suitable for investors looking to provide some income protection and mitigate reinvestment/rollover risk in the low interest rate environment.

For terms under 12 months, we believe the strongest value is currently being offered by the regional ADIs (dependent on daily funding requirements):



ADI	LT Credit Rating	Term	T/D Rate
AMP	BBB	11-12 months	^0.95% p.a.
AMP	BBB	6-10 months	^0.90% p.a.
AMP	BBB	3-5 months	^0.80% p.a.
BoQ	BBB+	9-12 months	0.55% p.a.
Bendigo-Adelaide	BBB+	9-12 months	0.45% p.a.

[^] AMP T/Ds – these are grossed up rates which includes a 0.20% p.a. rebated commission from Imperium Markets

Amongst the higher rated ADIs (“A” rated or higher), the following deposits remain attractive for terms under 12 months:

ADI	LT Credit Rating	Term	T/D Rate
CBA	AA-	12 months	0.51% p.a.
NAB	AA-	10-12 months	0.50% p.a.
ICBC, Sydney	A	12 months	~0.50% p.a.
NAB	AA-	9 months	0.48% p.a.
Westpac	AA-	12 months	0.48% p.a.

Senior FRNs Review

Over November, amongst the senior major bank FRNs, physical credit securities tightened significantly again (valuations rose) by around 7bp at the longer-end of the curve. Secondary market securities remain expensive on the back of the RBA announcing its \$100bn quantitative easing (QE) package in its November meeting. Bid-ask spreads have tightened sharply on the back of excess liquidity and short supply of new issuances.

A new 5 year senior major bank FRN would now be issued around the +30-33bp level, appearing expensive on a historical basis. We expect minimal primary issuance from the domestic banks in the immediate future given the RBA’s term funding facility (TFF) available to the ADIs, offering a rate of 0.10% (on new drawings) for 3 years, which has been extended to June 2021. The lack of supply from new (primary) issuances has also played a major role with the rally in credit markets over recent months.

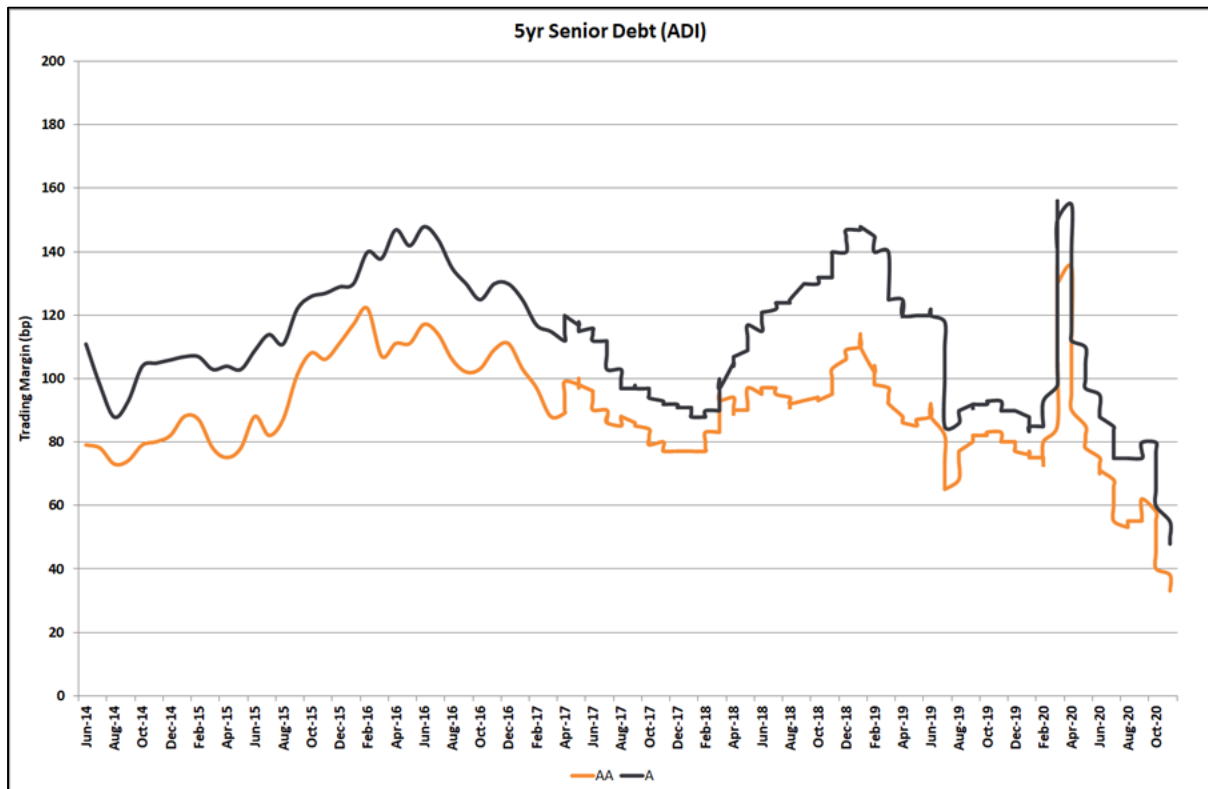
Amongst the “A” and “BBB” rated sector, the senior securities were marked up to 15bp tighter over November. During the month, the first senior primary issuance was launched from a domestic bank since the pandemic. Bendigo-Adelaide (BBB+) printed \$650m for a 5 year senior FRN deal at +52bp, tightening from initial guidance of +[60]bp. It was twice oversubscribed and unsurprising given the lack of new issuances from the primary market.

While turnover in the secondary market is still predominately dominated by commonwealth, semi-government and major bank senior paper, given the lack of supply, we have started to observe that even a handful of regional bank senior paper has sometimes been trading inside “mid” levels over recent months.

Credit margins are now trading very tight on a historical level and look fairly expensive. FRNs will continue to play a role in investor’s portfolios mainly on the basis of their liquidity and the ability to roll down the curve and gross up returns over ensuing years (in a relatively stable credit environment).

Senior FRNs (ADIs)	30/11/2020	31/10/2020
“AA” rated – 5yrs	+33bp	+40bp
“AA” rated – 3yrs	+15bp	+22bp
“A” rated – 5yrs	+48bp	+60bp
“A” rated – 3yrs	+33bp	+41bp
“BBB” rated – 3yrs	+55bp	+70bp

Source: IBS Capital



Source: IBS Capital

We now generally **recommend switches** ('benchmark' issues only) into new attractive primary issues (or longer-dated alternatives), out of the following senior FRNs that are maturing:

- **On or before 2023 for the "AA" rated ADIs (domestic major banks);**
- On or before 2021 for the "A" rated ADIs; and
- Within 12 months for the "BBB" rated ADIs (consider case by case).

Investors holding onto the above senior FRNs ('benchmark' issues only) in their last 1-2 years are now generally holding sub-optimal investments and are not maximising returns by foregoing realised capital gains. In the current low interest rate environment, any boost in overall returns should be locked in when it is advantageous to do so.

Economic Commentary

International Market

Financial markets were buoyed by positive vaccine news throughout the month of November. Pfizer and BioNTech, Moderna and AstraZeneca/Oxford University's experimental COVID-19 vaccines all claimed a +90% success rate in preventing infection amongst their trial groups.

In the US, **the S&P 500 surged +10.75%, while the NASDAQ gained +11.80%**. Across the main European markets, **France's CAC rose by an astounding +20.12%**, Germany's DAX rose +15.01%, and UK's FTSE +12.35%.

Joe Biden was announced as the next US President by most media networks, gaining 290 electoral college votes to Trump's 214 (270 needed for victory), although Trump refuses to concede.

The US unemployment fell to 6.9% in October (from 7.9%), with around 12 million of the 22 million positions lost during March and April now being recovered.

The US core CPI was flat in October, undershooting market expectations, and driving inflation further away from the Fed's target.

Former Fed chair Janet Yellen will be Biden's pick for US Treasury Secretary, which should see a stronger cooperation between the Fed and Treasury.

UK prime minister Boris Johnson ordered England into a four-week partial lockdown as a surge in COVID-19 cases threatened to overwhelm the country's health care system.

ECB President Lagarde said that emergency bond purchases and long-term loans will likely remain the main policy tools for adjusting monetary policy going forward.

Chinese trade numbers beat expectations, with exports rising +11.4% y/y versus +9.2%. Imports though underwhelmed at +4.7% y/y against +8.6% expected.

Finance Minister Robertson wrote to RBNZ Governor Orr stating his concern with recent house price appreciation. Robertson suggested that the RBNZ's remit be changed, by formally adding house prices as a consideration.

The MSCI World ex-Aus Index surged +12.60% for the month of November:

Index	1m	3m	1yr	3yr	5yr	10yr
S&P 500 Index	+10.75%	+3.47%	+15.30%	+11.01%	+11.73%	+11.86%
MSCI World ex-AUS	+12.60%	+5.15%	+12.96%	+7.69%	+8.90%	+8.26%
S&P ASX 200 Accum. Index	+10.21%	+8.22%	-1.98%	+6.94%	+9.05%	+8.10%

Source: S&P, MSCI

Domestic Market

In its November meeting, the RBA cut the cash rate target, the 3-year yield target and the rate for new lending to banks under the Term Funding Facility (TFF) to 0.10%. The rate paid on exchange settlement balances (deposits held with banks at the RBA) was cut to 0.00% (from 0.10%).

The RBA also announced a formal bond buying program (QE) of \$100bn over the next 6 months, equating to \$5bn of purchases a week (\$4bn of AGS and \$1bn of semis).

The RBA's forecast for the end of 2022 sees the unemployment rate still not back to 6%, let alone a pre-pandemic 5% level, or an even lower rate closer to full employment.

Retail sales rose +6.5% in Q3 as most states outside of Victoria reopened after falling -3.5% in Q2. Residential building approvals rose +15.4% m/m in September with a bounce in both detached housing (+9.7% m/m) and apartments (+23.4% m/m).

The trade balance was better than expected at \$5.6bn in September against expectations of \$3.7bn, and up from \$2.6bn in August.

The government extended the JobSeeker supplement beyond December to the end of March 2021. The total supplement will fall to \$750 a fortnight from \$850 a fortnight.

The Wage Price Index (WPI) rose just +0.1% q/q in September, one tenth weaker than the +0.2% consensus. **Annual wages growth is now just +1.4% y/y, the lowest recorded annual rate in the history of the index that dating back to 1997.**

Employment surprised sharply to the upside, lifting 178.8k in October (consensus -27.5k). The lift in employment now sees the level of employment 1.7% below pre-COVID levels (still a large 223k drop). **The unemployment rate rose to 7.0% (from 6.9%) in October,** which was accompanied by a significant rise in the participation rate (up almost a full percentage point to 65.8% from 64.9%).

Led by energy and financials, the S&P/ASX 200 posted its best month since June 2000, up +10.2%.

The Australian dollar surged +4.95% over the month, finishing at US73.93 cents (from US70.44 cents the previous month).

Credit Market

The main global credit indices tightened significantly over November, with spreads contracting up to 25% on the back of the 'risk-on' environment. The indices now trade back to their levels experienced in late 2019:

Index	November 2020	October 2020
CDX North American 5yr CDS	50bp	66bp
iTraxx Europe 5yr CDS	49bp	65bp
iTraxx Australia 5yr CDS	59bp	71bp

Source: Markit



Fixed Interest Review

Benchmark Index Returns

Index	November 2020	October 2020
Bloomberg AusBond Bank Bill Index (0+YR)	+0.01%	+0.01%
Bloomberg AusBond Composite Bond Index (0+YR)	-0.11%	+0.28%
Bloomberg AusBond Credit FRN Index (0+YR)	+0.21%	+0.32%
Bloomberg AusBond Credit Index (0+YR)	+0.79%	+0.56%
Bloomberg AusBond Treasury Index (0+YR)	-0.33%	+0.12%
Bloomberg AusBond Inflation Gov't Index (0+YR)	+0.55%	-0.09%

Source: Bloomberg

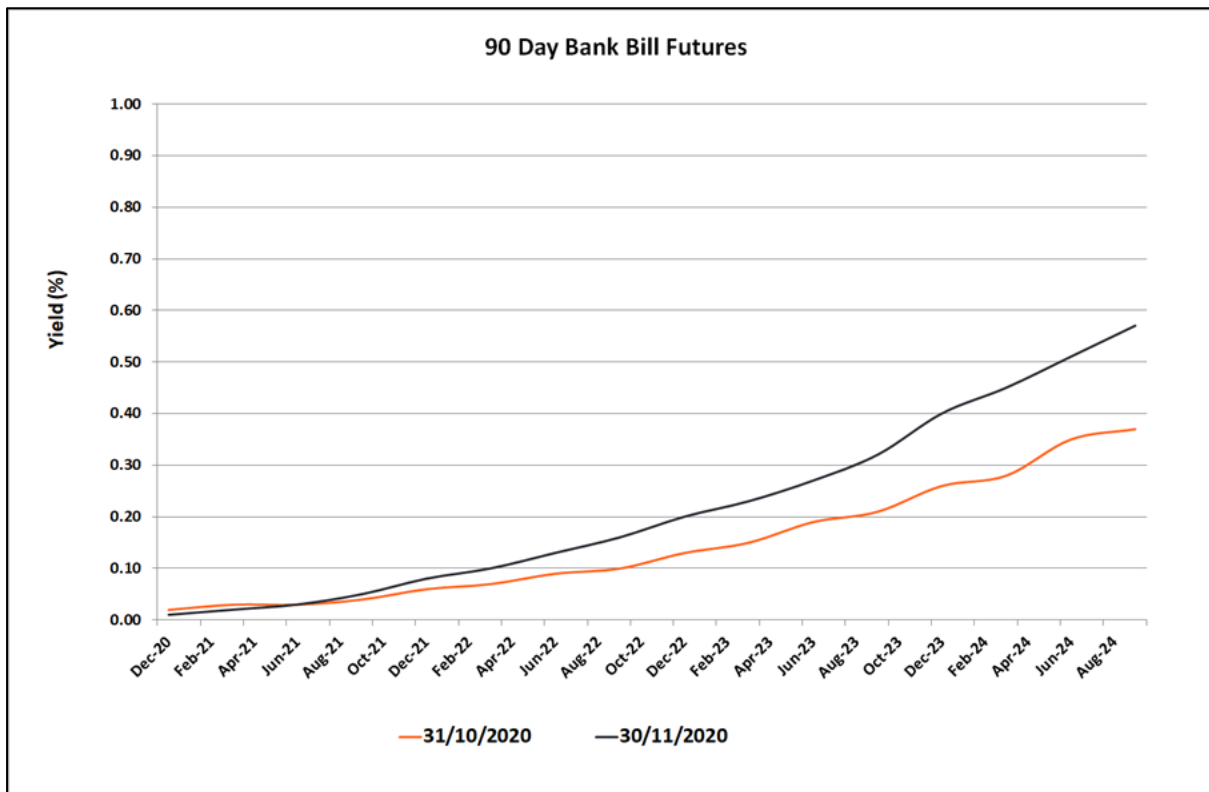
Other Key Rates

Index	November 2020	October 2020
RBA Official Cash Rate	0.10%	0.25%
90 Day (3 month) BBSW Rate	0.02%	0.06%
3yr Australian Government Bonds	0.11%	0.13%
10yr Australian Government Bonds	0.90%	0.83%
US Fed Funds Rate	0.00%-0.25%	0.00%-0.25%
10yr US Treasury Bonds	0.84%	0.88%

Source: RBA, AFMA, US Department of Treasury

90 Day Bill Futures

Over November, bill futures rose across the board on the back of further vaccine induced optimism and better than expected employment figures. Overall, bill futures continue to depict a low rate environment over the long-run:



Source: ASX



Fixed Interest Outlook

The US Fed has reiterated it is committed to *“using its full range of tools to support the US economy”*. It has signalled it is not considering raising interest rates at least until the end of 2023. The Fed has indicated it is willing to do more if necessary and opened the door to post-election easing if necessary. The futures market pushed back expectations of the next Fed rate hike (by around 3 years) after it announced it aims to achieve a *“moderately above 2% inflation for some time”*.

Domestically, after the RBA cut the official cash rate, 3 year target yield and the Term Funding Facility (TFF) to 0.10% (on new drawings), as well undertake \$100bn of quantitative easing (QE) by purchasing 5 and 10 year government bonds over the next six months, they have suggested they will not be moving the cash rate any further. The latest minutes of their meeting indicated the ***“Board has is not contemplating a further reduction in interest rates”*** and ***“view a negative policy rate as extraordinarily unlikely”***.

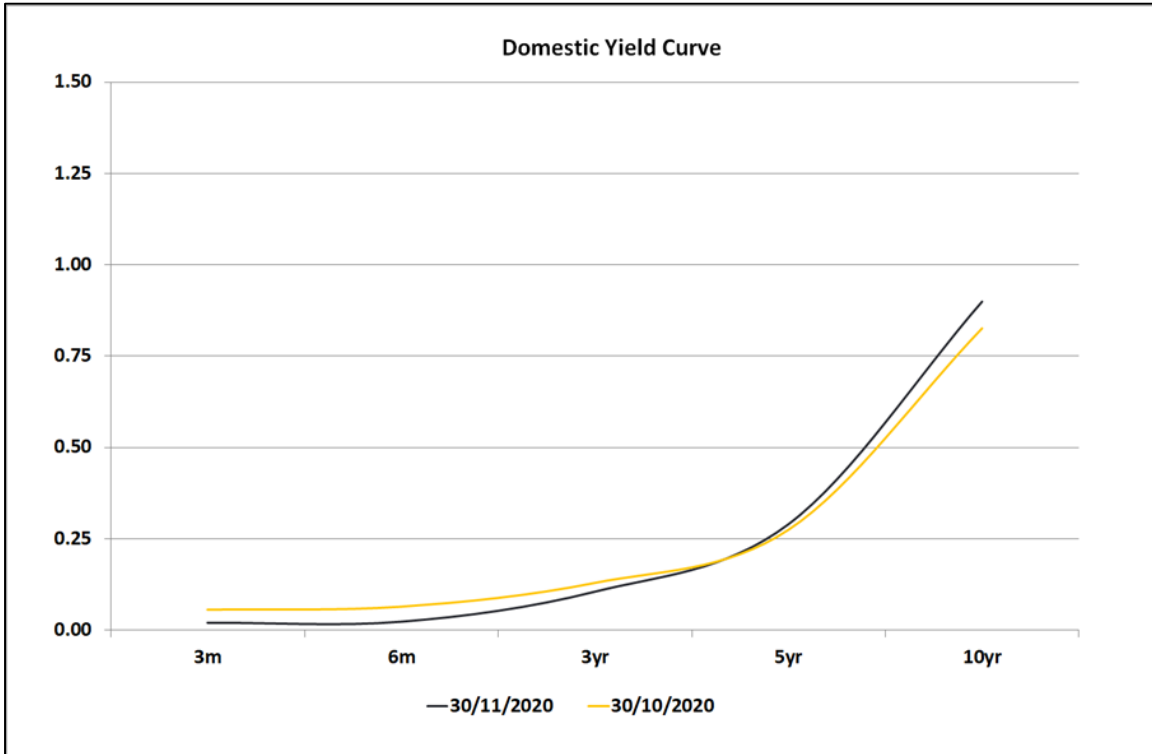
RBA Governor Lowe said if the world’s major central banks adopted negative rates at significant levels (e.g. the US Fed going to -50bp to -100bp), only then would the RBA *“consider”* going negative.

The RBA’s focus is now to reduce the unemployment rate, commenting that it was a *“national priority”* to achieve their inflation target range of 2-3%. The RBA is not going to be increasing the cash rate until *“actual inflation is sustainably within the 2-3% target range. For this to occur, wages growth will have to be materially higher than it is currently. This will require significant gains in employment and a return to a tight labour market”*.

Worryingly on the inflation outlook, the RBA notes that around 25% of recently surveyed firms intend to implement wage freezes in the year ahead, while 30% already have wage freezes in place.

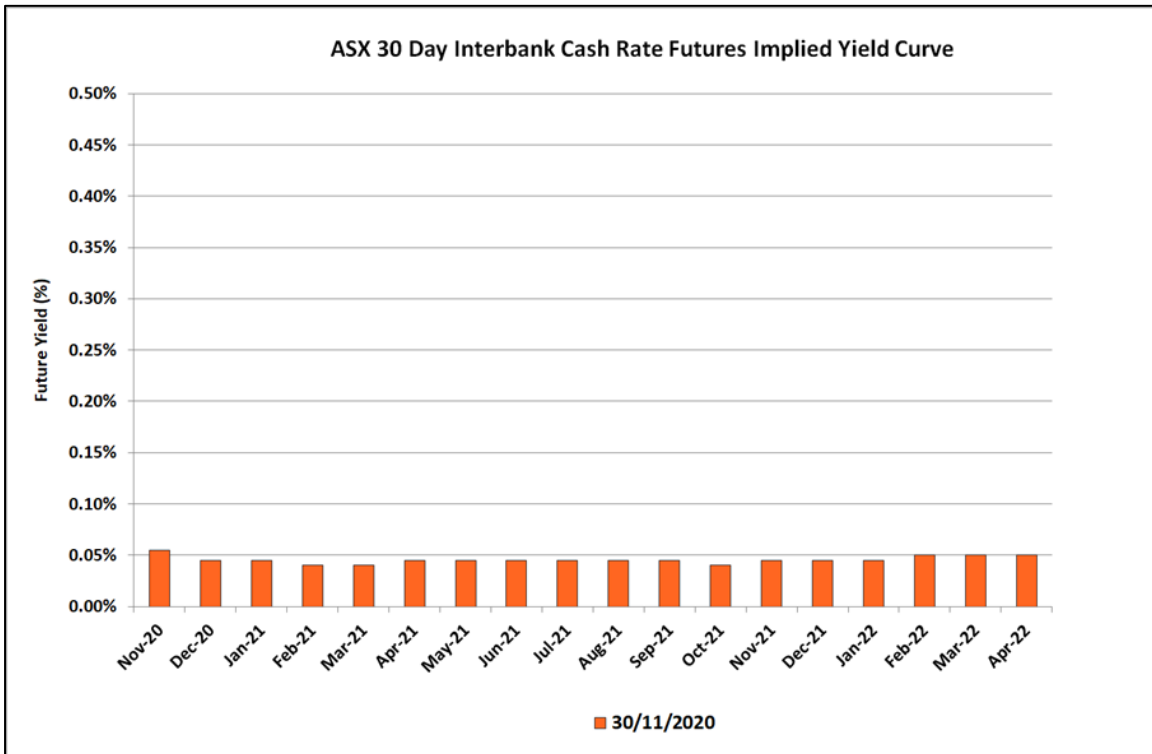
The RBA’s preferred core trimmed mean measure is forecast to be 1½% at the end of 2022, well below their 2-3% target band. The ‘low for longer’ depleted state of interest rates has resulted in the RBA to declare its current forward guidance that they are ***“not expecting to increase the cash rate for at least three years”***.

The domestic bond market continues to suggest a prolonged low period of interest rates. Over the month, yields rose up to 7bp at the long-end of the curve:



Source: AFMA, ASX, RBA

Despite the RBA's forward guidance (keep rates unchanged for 3 years), the futures market is still pricing in the possibility of further rate cuts closer to 0% over the next 18 months:



Source: ASX



Disclaimer

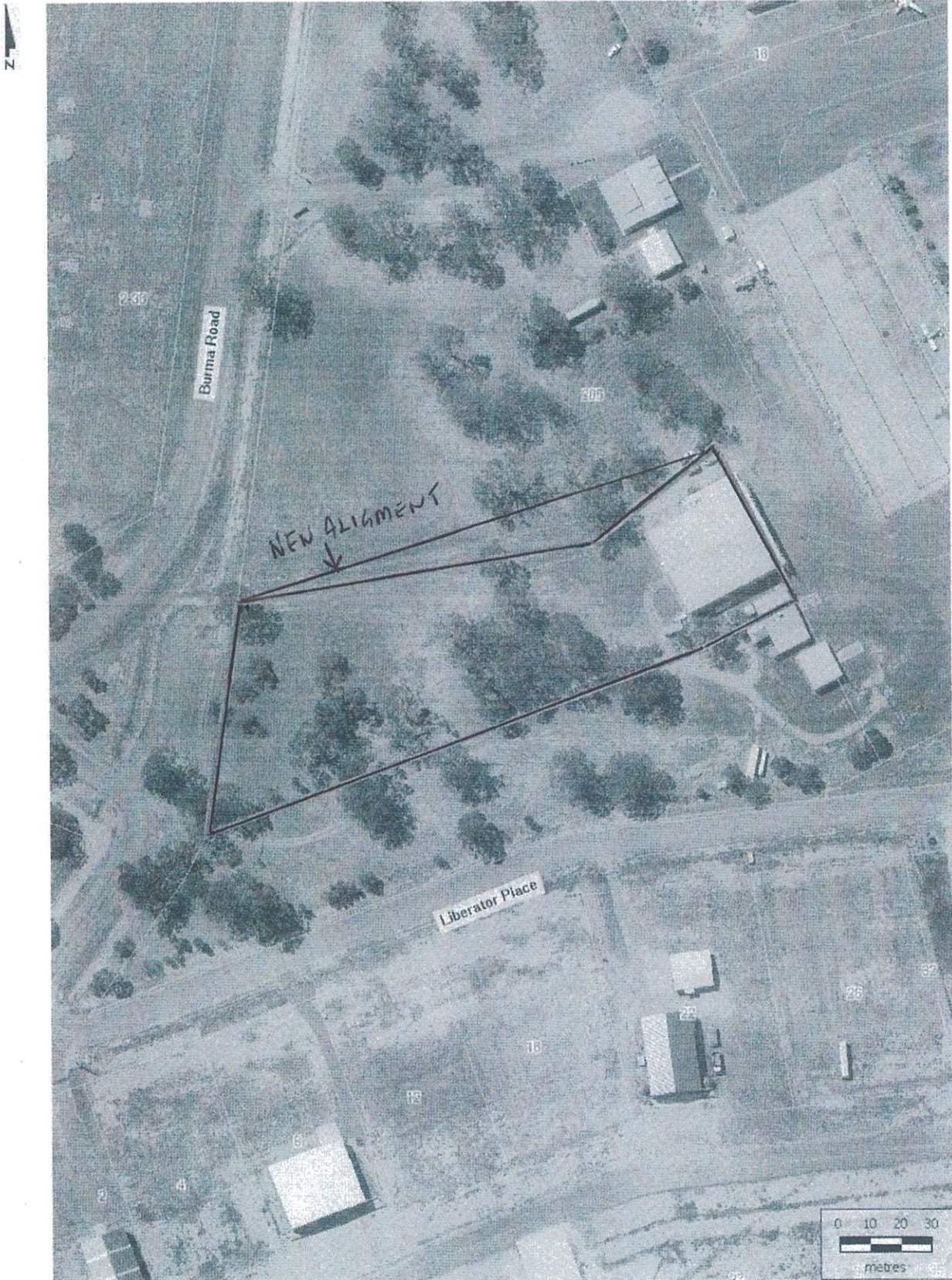
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The information in this document is intended solely for your use. The information and recommendations constitute judgements as of the date of this report and do not consider your individual investment objectives and adopted policy mandate.

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Imperium Markets charges a flat fee for our investment advice. Any commissions received are rebated to clients in full. If you choose a product provider who uses our market platform, the product provider pays us 1bp p.a. funding fee of the value of the investments transacted.

Created by staff on Thursday, 12 November 2020



Map Zoom: 290.2 m | Scale: 1:1,709

Perkins, Rowan

From: Jess Maher <J.Maher@mda.asn.au>
Sent: Wednesday, 18 November 2020 11:05 AM
To: Jess Maher
Subject: Have your say: Proposed MDA name-change to Murray-Darling Local Government Association
Attachments: Change of Name Briefing Paper.pdf

Dear Region 2 members,

At its 2020 Annual General Meeting, the Murray Darling Association membership resolved at [Motion 2020-5.18](#) to take steps to change the organisation's name to the Murray-Darling Local Government Association following engagement with the membership.

Please find attached a briefing paper regarding the name-change consultation process. We encourage you to read the briefing paper and fill out this [survey](#) to provide feedback to the MDA executive on your thoughts about the proposed name-change. Data from these feedback surveys will be collated into a report for the MDA membership.

There is no legal impediment to the name change, with approval granted in 2019 by the Australian Securities and Investment Commission on advice from the Minister for Local Government for the Murray Darling Association to change their name to the Murray-Darling Local Government Association. The next step in this process is consultation with and approval by our members.

Following consultation, voting delegates will be invited to participate in an extraordinary general meeting early next year to vote on the proposed name change.

If you have any questions, please contact us on (03) 5480 3805.

Kind regards,
The Murray Darling Association executive team



Jess Maher

Communications and Engagement Officer

Murray Darling Association Inc.

A: Level 1 – 250 Anstruther St, Echuca VIC 3564 | P: (03) 5480 3805

E: j.maher@mda.asn.au | W: www.mda.asn.au



**Inform better
decision making.**

Ensure your expertise and knowledge plays a part in the decisions affecting you.

**Join the MDA Basin Community
Leadership Program**

Applications now open.

Email bcjp@mda.asn.au for more information.



Murray Darling Association

Change of Name – Briefing Paper

1. Why we are doing this

The Murray Darling Association has received consistent feedback from members and stakeholders in recent years which has identified that the MDA needs to strengthen its identity as a local government association.

At its 2020 Annual General Meeting, the Murray Darling Association membership resolved at Motion 2020-5.18 to take steps to change the organisation's name to the Murray-Darling Local Government Association following engagement with the membership to confirm the proposal.

The objective of this name change is to clearly identify the MDA as a local government association representing the interests of councils and communities across the Murray-Darling Basin to support Basin governments to deliver on their commitment to put Basin communities at the heart of the Basin Plan.

There is no legal impediment to the name change, with approval granted in 2019 by the Australian Securities and Investment Commission on advice from the Minister for Local Government for the Murray Darling Association to change their name to the Murray-Darling Local Government Association. The next step in this process is consultation with and approval by our members.

2. Why we want to hear from you

As a membership-based organization, the Murray Darling Association values the perspectives of our local government members across the Murray-Darling Basin. Your opinion is important and we would like to hear your thoughts about the proposed name-change.

3. Who are we talking to?

As part of our consultation, we are talking to:

- All MDA member councils, including Mayors, CEOs/GMs and delegates from all across the Murray-Darling Basin
- MDA Board Members, Strategic Advisory Group
- Local Government Associations

4. What are the opportunities?

Benefits of the MDA name change to Murray-Darling Local Government Association include opportunities to:

- Retain and increase membership of councils
- Reduce confusion of identity between the Murray Darling Association (MDA) and the Murray Darling Basin Authority (MDBA);
- Better reflect and describe the role, purpose, context and work of the association

Murray Darling Association

Change of Name – Briefing Paper

- Accurately identify the MDA as an inter-jurisdictional association of councils operating across the Murray-Darling Basin.
- Support the association's ability to credibly compete for grant and project funding.
- Strengthen the credibility and authority of the association to represent the views of member councils in submissions and policy discussion.

5. What are the issues associated with name change?

Without a comprehensive consultation and rebranding strategy, a name-change could incur:

- Confusion amongst membership
- Complex process requiring resourcing

However, the MDA executive team is well-prepared to address the above two issues.

Following a vote on the name-change by the membership, the MDA executive will clearly and efficiently communicate the outcome to all members.

6. How can you provide feedback?

Providing feedback is easy. Please [click here](#) to participate in the survey.

7. What happens with the information you provide us with?

Your feedback will be collected confidentially and form part of a consultation report to be reviewed by the MDA board and executive prior to a decision about the name-change.

8. What's next?

All MDA members will be invited to participate in an extraordinary general meeting next year to vote on the proposed name change. We will advise members within 30 days of the meeting. Members will be able to attend in-person or virtually.

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Berrigan Shire Council

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2020

"Making an even better Berrigan Shire"



DRAFT

Berrigan Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2020

"Making an even better Berrigan Shire"



Berrigan Shire Council

General Purpose Financial Statements

for the year ended 30 June 2020

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Overview

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

56 Chanter St
BERRIGAN NSW 2712

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.berriganshire.nsw.gov.au.

Berrigan Shire Council

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 two 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.

Berrigan Shire Council

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 professional pronouncements, and
- 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 16 December 2020.

Cr. Matthew Hannan
Mayor
16 December 2020

Cr. Daryll Morris
Deputy Mayor
16 December 2020

Rowan Perkins
General Manager
16 December 2020

Tahlia Fry
Responsible Accounting Officer
16 December 2020

Berrigan Shire Council

Income Statement

for the year ended 30 June 2020

Original unaudited budget 2020	\$ '000	Notes	Actual 2020	Actual 2019
Income from continuing operations				
10,265	Rates and annual charges	3a	10,570	10,235
1,720	User charges and fees	3b	2,648	2,571
578	Other revenues	3c	1,010	1,217
6,863	Grants and contributions provided for operating purposes	3d,3e	7,834	6,589
6,074	Grants and contributions provided for capital purposes	3d,3e	3,631	3,569
714	Interest and investment income	4	669	772
–	Rental income	12c	152	–
26,214	Total income from continuing operations		26,514	24,953
Expenses from continuing operations				
4,592	Employee benefits and on-costs	5a	7,617	8,095
170	Borrowing costs	5b	257	53
6,272	Materials and contracts	5c	5,109	3,119
6,040	Depreciation and amortisation	5d	6,225	6,081
2,299	Other expenses	5e	2,394	2,839
–	Net losses from the disposal of assets	6	558	651
19,373	Total expenses from continuing operations		22,160	20,838
6,841	Operating result from continuing operations		4,354	4,115
6,841	Net operating result for the year		4,354	4,115
6,841	Net operating result attributable to council		4,354	4,115
767	Net operating result for the year before grants and contributions provided for capital purposes		723	546

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.

Berrigan Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2020

\$ '000	Notes	2020	2019
Net operating result for the year (as per Income Statement)		4,354	4,115
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	10(a)	53,886	3,980
Impairment (loss) reversal / (Revaluation decrement) relating to IPP&E	10(a)	—	(652)
Total items which will not be reclassified subsequently to the operating result		53,886	3,328
Total other comprehensive income for the year		53,886	3,328
Total comprehensive income for the year		58,240	7,443
Total comprehensive income attributable to Council		58,240	7,443

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.

DRAFT

Berrigan Shire Council

Statement of Financial Position

as at 30 June 2020

\$ '000	Notes	2020	2019
ASSETS			
Current assets			
Cash and cash equivalents	7(a)	11,245	7,378
Investments	7(b)	27,046	28,000
Receivables	8	1,743	1,753
Inventories	9a	275	289
Other	9b	51	37
Total current assets		40,360	37,457
Non-current assets			
Inventories	9a	–	185
Infrastructure, property, plant and equipment	10(a)	302,964	244,930
Right of use assets		–	–
Total non-current assets		302,964	245,115
Total assets		343,324	282,572
LIABILITIES			
Current liabilities			
Payables	13	1,975	837
Income received in advance	13	–	235
Contract liabilities	11	622	–
Borrowings	13	259	161
Provisions	14	2,702	2,337
Total current liabilities		5,558	3,570
Non-current liabilities			
Borrowings	13	1,567	833
Provisions	14	688	425
Total non-current liabilities		2,255	1,258
Total liabilities		7,813	4,828
Net assets		335,511	277,744
EQUITY			
Accumulated surplus	15	122,304	118,423
Revaluation reserves	15	213,207	159,321
Council equity interest		335,511	277,744
Total equity		335,511	277,744

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

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

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

\$ '000	Notes	as at 30/06/20			as at 30/06/19		
		Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus	IPP&E revaluation reserve	Total equity
Opening balance		118,423	159,321	277,744	114,308	155,993	270,301
Changes due to AASB 1058 and AASB 15 adoption	15	(473)	–	(473)	–	–	–
Changes due to AASB 16 adoption	15	–	–	–	–	–	–
Net operating result for the year		4,354	–	4,354	4,115	–	4,115
Restated net operating result for the period		4,354	–	4,354	4,115	–	4,115
Other comprehensive income							
– Gain (loss) on revaluation of IPP&E	10(a)	–	53,886	53,886	–	3,980	3,980
– Impairment (loss) reversal / (Revaluation decrement) relating to IPP&E	10(a)	–	–	–	–	(652)	(652)
Other comprehensive income		–	53,886	53,886	–	3,328	3,328
Total comprehensive income		4,354	53,886	58,240	4,115	3,328	7,443
Equity – balance at end of the reporting period		122,304	213,207	335,511	118,423	159,321	277,744

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.

Berrigan Shire Council

Statement of Cash Flows

for the year ended 30 June 2020

Original unaudited budget 2020	\$ '000	Notes	Actual 2020	Actual 2019
Cash flows from operating activities				
Receipts:				
10,256	Rates and annual charges		10,927	9,949
1,748	User charges and fees		2,582	3,254
709	Investment and interest revenue received		814	708
12,937	Grants and contributions		11,381	10,158
–	Bonds, deposits and retention amounts received		187	26
–	Other		2,634	1,988
Payments:				
(4,576)	Employee benefits and on-costs		(8,910)	(8,584)
(6,319)	Materials and contracts		(4,978)	(3,364)
(170)	Borrowing costs		(41)	(46)
(1,670)	Other		(2,386)	(2,326)
12,915	Net cash provided (or used in) operating activities	16b	12,210	11,763
Cash flows from investing activities				
Receipts:				
2,966	Sale of investment securities		954	–
–	Sale of real estate assets		870	302
546	Sale of infrastructure, property, plant and equipment		291	282
Payments:				
–	Purchase of investment securities		–	(2,000)
(21,192)	Purchase of infrastructure, property, plant and equipment		(11,290)	(8,542)
–	Purchase of real estate assets		–	(238)
(17,680)	Net cash provided (or used in) investing activities		(9,175)	(10,196)
Cash flows from financing activities				
Receipts:				
–	Proceeds from borrowings and advances		1,000	–
Payments:				
4,439	Repayment of borrowings and advances		(168)	(156)
4,439	Net cash flow provided (used in) financing activities		832	(156)
(326)	Net increase/(decrease) in cash and cash equivalents		3,867	1,411
2,000	Plus: cash and cash equivalents – beginning of year	16a	7,378	5,967
1,674	Cash and cash equivalents – end of the year	16a	11,245	7,378
18,826	plus: Investments on hand – end of year	7(b)	27,046	28,000
20,500	Total cash, cash equivalents and investments		38,291	35,378

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.

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

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Berrigan Shire Council

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 16 December 2020. Council has the power to amend and reissue these financial statements.

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

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

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

Council is a not for-profit entity.

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

(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:

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

Significant judgements in applying the council's accounting policies

- (i) Impairment of receivables

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

Council monitors its receivables closely and currently considered all of them recoverable, with debt collection processes ongoing where necessary.

COVID-19 Impacts

While the COVID-19 pandemic has had an impact on the Council and its operations, this has not been material in nature.

The major impact of the pandemic and the associated response from all levels of government has been on the Council's staff resources. Many staff, across all functions of the Council, were required to work from home, creating some minor delays to project delivery.

In particular, the Council's financial systems do not allow for simple access from remote locations. This has the advantage of not creating any additional security vulnerabilities or opportunities for fraud. On the other hand, it did impact on the Council's ability to meet its timeframes for preparation of statutory financial reports.

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation (continued)

There has been some minor increases in costs relating to additional equipment to meet hygiene requirements. On the other hand, the closure for a time of facilities such as libraries has seen a reduction in power use.

Collections of outstanding rates remain strong and remain at pre-COVID-19 levels. This will need to be continually monitored over the recovery period.

In an overall sense, the financial impact of the COVID-19 pandemic has not been significant and is not expected to be significant.

For assets where fair value is determined by market value Council has no evidence of material changes to these values. With COVID-19 emerging late in the financial reporting cycle it is not practical to obtain external valuations of these assets at 30 June 2020.

Monies and other assets received by Council

(a) The Consolidated Fund

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

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

- General purpose operations
- Water service
- Sewerage service

Due to their immaterial value and nature, the following committees, entities and operations have been excluded from consolidation:

- Australia Day Committee
- Barooga Advancement Group
- Barooga Community Botanical Gardens Committee
- Barooga Recreation Reserve
- Berrigan Conservation & Tidy Town
- Berrigan Sportsground Committee
- Berrigan War Memorial Hall
- Berrigan War Memorial Swimming Pool
- Boomanoomana Landcare Committee
- Finley Railway Park
- Finley Recreation Reserve Committee of Management
- Finley School of Arts
- Finley Showground Sporting Complex Committee
- Finley Tidy Towns
- Finley War Memorial Hall
- Finley War Memorial Swimming Pool
- Fullers Road Landcare
- Mary Lawson Memorial Wayside Rest Committee
- Native Dog Landcare Group
- Retreat Public Hall
- Tocumwal Foreshore
- Tocumwal Friends of the Library Group
- Tocumwal Historic Aerodrome Museum
- Tocumwal Rail Preservation Committee
- Tocumwal Recreation Reserve Committee
- Tocumwal Swimming Pool Committee
- Tocumwal War Memorial Hall

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation (continued)

(b) The Trust Fund

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

Council currently considers it holds no trust funds that are applicable in accordance with Section 411 of the *Local Government Act 1993 (NSW)*.

Goods and Services Tax (GST)

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

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

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

Volunteer services

Council has no material reliance on volunteer services and there is no financial impact on the financial statements as presented.

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.

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

AASB 1059 Service Concession Arrangements: Grantors

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.

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 1. Basis of preparation (continued)

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
- 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.

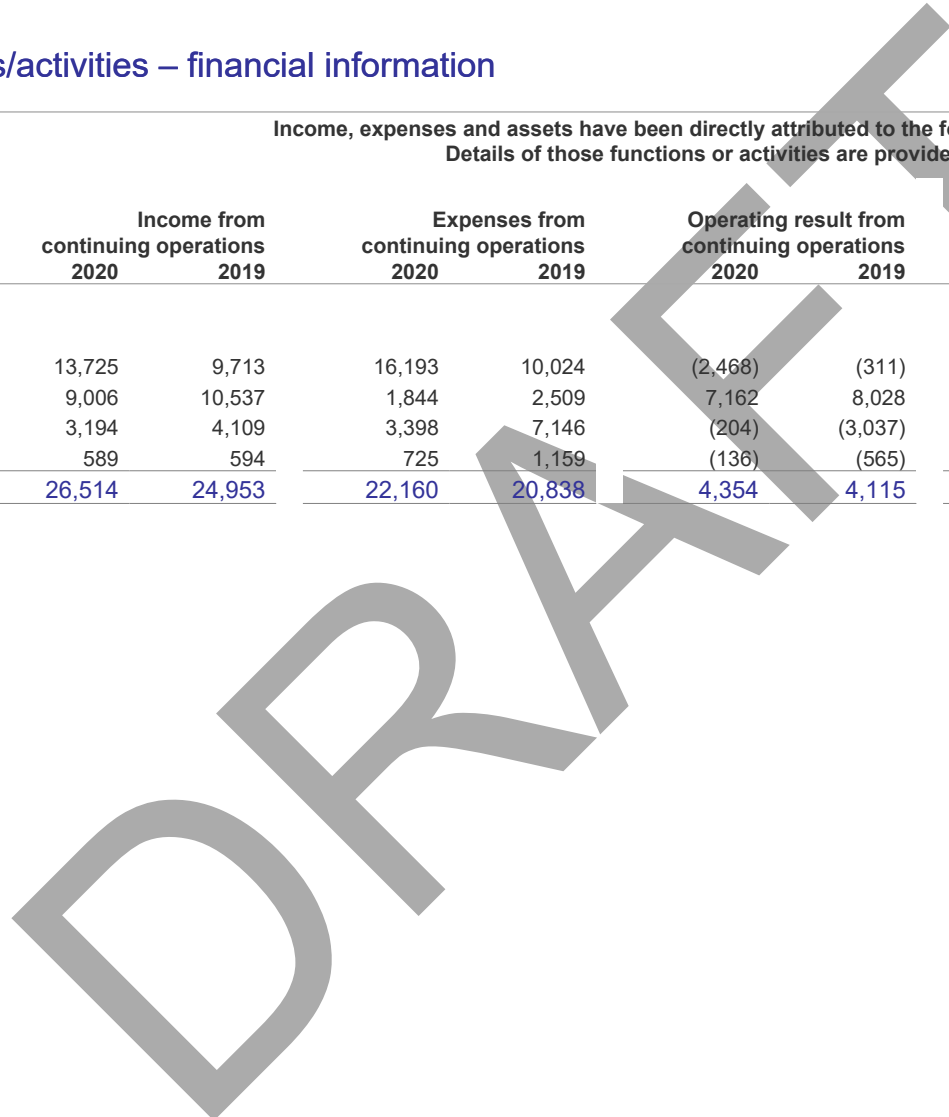
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Notes to the Financial Statements
for the year ended 30 June 2020

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

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

\$ '000	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Carrying amount of assets	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Functions or activities										
Sustainable and Natural Built Landscapes	13,725	9,713	16,193	10,024	(2,468)	(311)	3,161	1,554	270,540	177,816
Good Government	9,006	10,537	1,844	2,509	7,162	8,028	3,569	415	28,088	29,145
Supported and Engaged communities	3,194	4,109	3,398	7,146	(204)	(3,037)	2,989	5,617	40,013	70,871
Diverse and resilient business	589	594	725	1,159	(136)	(565)	265	484	4,683	4,740
Total functions and activities	26,514	24,953	22,160	20,838	4,354	4,115	9,984	8,070	343,324	282,572



Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

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

Sustainable and Natural Built Landscapes

Development decisions made today about how we move around and between our communities and use our natural resources - the River, wildlife, forests, agricultural and urban land, and water shape the future of our communities. Council's Delivery Program and strategic objectives are:

- 1.1 Support sustainable use of natural resources and built landscapes
- 1.2 Retain the diversity and preserve the health of our natural landscapes and wildlife
- 1.3 Connect and protect our communities

Sustainable and natural built landscapes include the Council functions of Housing, Environment, Water Supply, Sewerage Services, Mining, Manufacture and Construction, and Transport and Communication.

Good Government

Good government is about making good decisions over time. These decisions involve managing our financial, economic, and environmental risks and the social implications of decisions made. Council's good government Delivery Program and strategic objectives are:

- 2.1 Berrigan Shire 2027 objectives and strategic actions facilitate the effective governance by Council of Council operations and reporting
- 2.2 Strengthen strategic relationships and partnerships with community, business and government

Good Government includes the Council functions of Administration and Governance.

Supported and Engaged communities

Safe, healthy, accessible and inclusive communities are child and older person friendly. Lifelong learning, cultural expression, services for older residents and recreational activities provide opportunities for people with a diverse range of interests to become involved and engaged in their local communities. Council's Supported and engaged communities Delivery Program and strategic objectives are:

- 3.1 Create safe, friendly and accessible communities
- 3.2 Support community engagement through life-long learning, culture and recreation

Supported and engaged communities includes the Council functions of Public Order and Safety, Health, Community Amenities, Community Services and Education and Recreation and Culture.

Diverse and resilient business

Our lifestyle, climate, existing facilities and proximity to Melbourne present a range of agricultural, tourism, retail and health industry opportunities. Council's Delivery Program and diverse and resilient business strategic objectives include:

- 4.1 Strengthen and diversify the local economy and invest in local job creation and innovation
- 4.2 Diversify and promote local tourism
- 4.3 Connect local, regional and national road and rail infrastructure and networks

Diverse and resilient business include the Council functions of Economic Affairs.

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations

\$ '000	AASB	2020	2019
(a) Rates and annual charges			
Ordinary rates			
Residential	1058 (1)	2,820	2,750
Farmland	1058 (1)	1,928	1,882
Business	1058 (1)	530	525
Less: pensioner rebates (mandatory)		(174)	(170)
Rates levied to ratepayers		5,104	4,987
Pensioner rate subsidies received	15 (2)	95	95
Total ordinary rates		5,199	5,082
Annual charges			
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>			
Domestic waste management services	1058 (1)	1,059	1,015
Stormwater management services	1058 (1)	75	73
Water supply services	1058 (1)	2,112	2,029
Sewerage services	1058 (1)	2,142	2,057
Waste management services (non-domestic)	1058 (1)	90	82
Less: pensioner rebates (mandatory)		(238)	(234)
Annual charges levied		5,240	5,022
Pensioner subsidies received:			
– Water	15 (2)	41	46
– Sewerage	15 (2)	44	44
– Domestic waste management	15 (2)	46	41
Total annual charges		5,371	5,153
TOTAL RATES AND ANNUAL CHARGES		10,570	10,235

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

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

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

Accounting policy for rates and charges

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

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

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

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

2019 accounting policy

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

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	AASB	2020	2019
(b) User charges and fees			
Specific user charges			
(per s.502 - specific 'actual use' charges)			
Domestic waste management services	15 (2)	251	170
Water supply services	15 (2)	1,196	1,268
Sewerage services	15 (2)	61	51
Waste management services (non-domestic)	15 (2)	390	336
Total specific user charges		1,898	1,825
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Building regulation	15 (2)	218	216
Private works – section 67	15 (2)	147	51
Section 10.7 certificates (EP&A Act)	15 (2)	24	19
Section 603 certificates	15 (2)	27	25
Total fees and charges – statutory/regulatory		416	311
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Aerodrome	15 (2)	24	21
Cemeteries	15 (2)	103	134
Leaseback fees – Council vehicles (2019 only)	15 (2)	–	57
Library	15 (2)	3	3
Swimming centres	15 (2)	78	84
Sewerage	15 (2)	9	11
Water supply	15 (2)	64	82
Other	15 (2)	53	43
Total fees and charges – other		334	435
TOTAL USER CHARGES AND FEES		2,648	2,571

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”.

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. There is no material obligation for Council in relation to refunds or returns.

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

2019 accounting policy

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

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	AASB	2020	2019
(c) Other revenues			
Rental income – other council properties (2019 only)	15 (1)	–	75
Fines	1058 (1)	1	3
Legal fees recovery – rates and charges (extra charges)	15 (2)	24	29
Commissions and agency fees	15 (2)	62	37
Diesel rebate	15 (1)	77	67
Recycling income (non-domestic)	15 (2)	–	4
Sales – general	15 (2)	11	5
Insurance rebate	15 (2)	6	12
Paid parental leave scheme	15 (2)	13	–
Sale of gravel	15 (2)	–	43
Sale of high security water	15 (2)	672	778
Sale of scrap metal	15 (2)	16	–
Statecover OHS incentives	1058 (1)	20	–
Other	1058 (1)	42	98
Workers compensation recovery	15 (2)	66	66
<u>TOTAL OTHER REVENUE</u>		<u>1,010</u>	<u>1,217</u>

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.

Berrigan Shire Council

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

Note 3. Revenue from continuing operations (continued)

\$ '000	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
(d) Grants					
General purpose (untied)					
Current year allocation					
Financial assistance – general component	1058 (1)	1,713	1,690	–	–
Financial assistance – local roads component	1058 (1)	701	700	–	–
Payment in advance - future year allocation					
Financial assistance – general component	1058 (1)	1,814	1,752	–	–
Financial assistance – local roads component	1058 (1)	744	726	–	–
Total general purpose		4,972	4,868	–	–
Specific purpose					
Bushfire and emergency services	15 (2)	59	59	–	–
Community care	1058 (1)	2	16	–	–
Economic development	1058 (2)	163	–	9	(14)
ESPL implementation funds	1058 (1)	29	–	–	–
Floodplain management		–	–	103	–
Heritage and cultural	1058 (1)	9	–	–	–
Library	1058 (1)	4	14	159	83
Library – per capita	1058 (1)	64	32	–	–
Library – special projects	1058 (1)	18	7	–	–
LIRS subsidy	1058 (1)	29	33	–	–
Noxious weeds	1058 (1)	62	–	–	–
NSW Recycling Relief		–	(1)	–	–
Recreation and culture	1058 (2)	–	–	2,598	1,613
Sewerage services	1058 (2)	–	–	–	18
Street lighting	1058 (1)	51	50	–	–
Transport (other roads and bridges funding)	1058 (1)	–	6	321	804
Transport (roads to recovery)	1058 (1)	1,316	416	–	–
Other	1058 (1)	16	66	–	–
Total specific purpose		1,822	698	3,190	2,504
Total grants		6,794	5,566	3,190	2,504
Grant revenue is attributable to:					
– Commonwealth funding		6,492	3,858	1,106	(14)
– State funding		302	1,629	2,027	2,253
– Other funding		–	79	57	265
		6,794	5,566	3,190	2,504

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”.

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	Notes	AASB	Operating 2020	Operating 2019	Capital 2020	Capital 2019
(e) Contributions						
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):						
Cash contributions						
S 7.11 – contributions towards amenities/services		1058 (1)	–	–	14	23
S 64 – water supply contributions		1058 (1)	–	–	113	176
S 64 – sewerage service contributions		1058 (1)	–	–	17	2
Other developer contributions (assets)		1058 (1)	–	–	–	68
Total developer contributions – cash			–	–	144	269
Total developer contributions	24		–	–	144	269
Other contributions:						
Cash contributions						
Heritage/cultural		1058 (1)	–	–	40	–
Kerb and gutter		15 (2)	–	–	–	114
Paving		15 (2)	–	–	–	53
Recreation and culture		15 (2)	–	–	18	90
Roads and bridges			–	–	60	–
RMS contributions (regional roads, block grant)		1058 (1)	1,040	1,019	179	325
Other		1058 (1)	–	4	–	–
Parks and gardens		1058 (1)	–	–	–	200
Total other contributions – cash			1,040	1,023	297	782
Non-cash contributions						
Recreation and culture		1058 (2)	–	–	–	14
Total other contributions – non-cash			–	–	–	14
Total other contributions			1,040	1,023	297	796
Total contributions			1,040	1,023	441	1,065
TOTAL GRANTS AND CONTRIBUTIONS			7,834	6,589	3,631	3,569

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 performance obligations within AASB 15 grants

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

such as completion of milestones. Payment terms vary depending on the terms of the grant, cash is received upfront for some grants and on the achievement of certain payment milestones for others.

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

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

Grant income

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

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

Capital grants

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

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

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

Contributions

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

While Council generally incorporates these amounts as part of a Development Consent 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.

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 3. Revenue from continuing operations (continued)

\$ '000	2020	2019
(f) Unspent grants and contributions – external restrictions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner due to externally imposed restrictions.		
Operating grants		
Unexpended at the close of the previous reporting period	68	5
Add: operating grants received for the provision of goods and services in a future period	6,794	68
Less: operating grants recognised in a previous reporting period now spent (2019 only)	–	(5)
Less: operating grants recognised in the current period and now spent	(6,582)	–
Unexpended and held as externally restricted assets (operating grants)	280	68
Capital grants		
Unexpended at the close of the previous reporting period	254	505
Add: capital grants recognised as income in the current period but not yet spent (2019 only)	–	254
Add: capital grants received for the provision of goods and services	3,365	–
Less: capital grants recognised in a previous reporting period now spent (2019 only)	–	(505)
Less: capital grants recognised in the current period and now spent	(2,469)	–
Less: capital grants received in a previous reporting period now spent and recognised as income	(473)	–
Unexpended and held as externally restricted assets (capital grants)	677	254
Contributions		
Unexpended at the close of the previous reporting period	456	255
Add: contributions recognised as income in the current period but not yet spent	144	201
Add: contributions received for the provision of goods and services	1,794	–
Less: contributions recognised in the current period now spent	(1,794)	–
Unexpended and held as externally restricted assets (contributions)	600	456

Note 4. Interest and investment income

\$ '000	2020	2019
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	31	33
– Cash and investments	638	739
Total Interest and investment income	669	772
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	15	33
General Council cash and investments	504	394
Restricted investments/funds – external:		
Water fund operations	101	193
Sewerage fund operations	49	152
Total interest and investment revenue	669	772

Accounting policy for interest and investment revenue

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

Berrigan Shire Council

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

Note 5. Expenses from continuing operations

\$ '000	2020	2019
(a) Employee benefits and on-costs		
Salaries and wages	5,935	6,264
Employee leave entitlements (ELE)	1,206	1,250
ELE on-costs	24	170
Superannuation – defined contribution plans	558	511
Superannuation – defined benefit plans	157	147
Workers' compensation insurance	143	179
Fringe benefit tax (FBT)	34	34
Protective clothing	34	30
Other	57	47
Total employee costs	8,148	8,632
Less: capitalised costs	(531)	(537)
TOTAL EMPLOYEE COSTS EXPENSED	7,617	8,095
Number of 'full-time equivalent' employees (FTE) at year end	98	94

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 18 for more information.

\$ '000	Notes	2020	2019
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on loans		41	46
Total interest bearing liability costs		41	46
Total interest bearing liability costs expensed		41	46
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	14	216	7
Total other borrowing costs		216	7
TOTAL BORROWING COSTS EXPENSED		257	53

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.

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

\$ '000	2020	2019
(c) Materials and contracts		
Raw materials and consumables	4,320	2,525
Contractor and consultancy costs	144	5
– Domestic waste and recycling collection contract	491	494
Auditors remuneration ¹	94	40
Legal expenses:		
– Legal expenses: planning and development	18	10
– Legal expenses: debt recovery	42	45
Total materials and contracts	5,109	3,119
<u>TOTAL MATERIALS AND CONTRACTS</u>	<u>5,109</u>	<u>3,119</u>
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	94	40
Remuneration for audit and other assurance services	94	40
Total Auditor-General remuneration	94	40
Non NSW Auditor-General audit firms		
Total Auditor remuneration	94	40

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

\$ '000	Notes	2020	2019
(d) Depreciation, amortisation and impairment of non-financial assets			
Depreciation and amortisation			
Plant and equipment		819	818
Office equipment		21	31
Land improvements (depreciable)		54	46
Infrastructure:	10(a)		
– Buildings – non-specialised		–	9
– Buildings – specialised		573	572
– Roads		2,641	2,538
– Bridges		107	107
– Footpaths		74	70
– Stormwater drainage		250	240
– Water supply network		681	669
– Sewerage network		610	588
– Swimming pools		65	64
– Other open space/recreational assets		178	158
Other assets:			
– Heritage collections		1	1
– Library books		27	26
– Other		107	129
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	14,10(a)	13	12
– Quarry assets	14,10(a)	4	3
Total gross depreciation and amortisation costs		6,225	6,081
Total depreciation and amortisation costs		6,225	6,081
Impairment / revaluation decrement of IPP&E			
Infrastructure:	10(a)		
– Buildings – specialised		–	652
Total gross IPP&E impairment / revaluation decrement costs / (reversals)		–	652
Amounts taken through revaluation reserve	10(a)	–	(652)
Total IPP&E impairment / revaluation decrement costs / (reversals) charged to Income Statement		–	–
<u>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT FOR NON-FINANCIAL ASSETS</u>		<u>6,225</u>	<u>6,081</u>

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

Depreciation and amortisation

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

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 5. Expenses from continuing operations (continued)

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.

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

\$ '000	2020	2019
(e) Other expenses		
Advertising	57	89
Training costs (other than salaries and wages)	213	257
Travel expenses	237	229
Bad and doubtful debts	9	7
Bank charges	39	74
Cleaning	6	5
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	112	105
– NSW fire brigade levy	12	11
– NSW rural fire service levy	71	46
– Other contributions/levies	10	21
Councillor expenses – mayoral fee	27	26
Councillor expenses – councillors' fees	94	94
Councillors' expenses (incl. mayor) – other (excluding fees above)	98	82
Donations, contributions and assistance to other organisations (Section 356)		
– Central Murray County Council	–	130
– Heritage and cultural programs	18	12
– Public halls and community facilities	28	22
– Riverina and Murray Regional Organisation of Councils	17	27
– Sporting grounds	60	65
– Swimming pools	98	98
– Tourism and area promotion	67	44
– Other	11	7
Election expenses	–	45
Electricity and heating	351	324
Insurance	376	346
Street lighting	186	207
Subscriptions and publications	10	71
Telephone and communications	58	61
Valuation fees	39	78
Other	90	256
Total other expenses	2,394	2,839
TOTAL OTHER EXPENSES	2,394	2,839

Berrigan Shire Council

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

Note 5. Expenses from continuing operations (continued)

Accounting policy for other expenses

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

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Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 6. Gain or loss from disposal of assets

\$ '000	Notes	2020	2019
Property (excl. investment property)			
Proceeds from disposal – property		–	160
Less: carrying amount of property assets sold/written off		–	(42)
Net gain/(loss) on disposal		–	118
Plant and equipment			
	10(a)		
Proceeds from disposal – plant and equipment		291	122
Less: carrying amount of plant and equipment assets sold/written off		(224)	(4)
Net gain/(loss) on disposal		67	118
Infrastructure			
	10(a)		
Proceeds from disposal – infrastructure		–	–
Less: carrying amount of infrastructure written off		(1,217)	(969)
Net gain/(loss) on disposal		(1,217)	(969)
Real estate assets held for sale			
	9		
Proceeds from disposal – real estate assets		870	302
Less: carrying amount of real estate assets sold/written off		(278)	(220)
Net gain/(loss) on disposal		592	82
<u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u>		<u>(558)</u>	<u>(651)</u>

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.

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 7(a). Cash and cash equivalents

\$ '000	2020	2019
Cash and cash equivalents		
Cash on hand and at bank	11,245	7,378
Total cash and cash equivalents	11,245	7,378

Accounting policy for cash and cash equivalents

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

Note 7(b). Investments

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Investments				
'Financial assets at amortised cost'	27,046	–	28,000	–
Total Investments	27,046	–	28,000	–
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	38,291	–	35,378	–
Financial assets at amortised cost				
Long term deposits	27,046	–	28,000	–
Total	27,046	–	28,000	–

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.

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 7(b). Investments (continued)

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.

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Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Total cash, cash equivalents and investments	38,291	–	35,378	–
attributable to:				
External restrictions	24,675	–	21,353	–
Internal restrictions	5,560	–	5,786	–
Unrestricted	8,056	–	8,239	–
	<u>38,291</u>	<u>–</u>	<u>35,378</u>	<u>–</u>

\$ '000	2020	2019
Details of restrictions		
External restrictions – included in liabilities		
Specific purpose unexpended grants – general fund (2020 only)	622	–
External restrictions – included in liabilities	<u>622</u>	<u>–</u>
External restrictions – other		
Developer contributions – general	600	456
Specific purpose unexpended grants (recognised as revenue) – general fund	335	322
Water supplies	11,829	10,135
Sewerage services	7,108	6,516
Domestic waste management	4,181	3,924
External restrictions – other	<u>24,053</u>	<u>21,353</u>
Total external restrictions	<u>24,675</u>	<u>21,353</u>
Internal restrictions		
Plant and vehicle replacement	1,340	1,695
Employees leave entitlement	389	389
Aerodrome	332	282
Capital works reserve	2,491	2,168
Finley saleyard	–	80
Information technology	500	450
Levee bank construction	71	321
Risk management	363	317
Tourism events	74	84
Total internal restrictions	<u>5,560</u>	<u>5,786</u>
TOTAL RESTRICTIONS	<u>30,235</u>	<u>27,139</u>

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 8. Receivables

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Purpose				
Rates and annual charges	570	–	621	–
User charges and fees	549	–	588	–
Accrued revenues				
– Interest on investments	196	–	341	–
– Other income accruals	180	–	160	–
Government grants and subsidies	248	–	–	–
Net GST receivable	–	–	43	–
Total	1,743	–	1,753	–
TOTAL NET RECEIVABLES	1,743	–	1,753	–
Externally restricted receivables				
Water supply				
– Rates and availability charges	221	–	210	–
Sewerage services				
– Rates and availability charges	93	–	109	–
Total external restrictions	314	–	319	–
Unrestricted receivables	1,429	–	1,434	–
TOTAL NET RECEIVABLES	1,743	–	1,753	–

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

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

The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

Collectability of receivables is reviewed on an ongoing basis.

Debts that are known to be uncollectable are written off by reducing the carrying amount directly.

An allowance account (provision for impairment of receivables) is used when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 120 days overdue) are considered indicators that the receivable is impaired.

When a receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against other expenses in the Income Statement.

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 8. Receivables (continued)

COVID-19

Council's rate and user charges collections have not been impacted by the COVID-19 pandemic and are comparable to prior years, therefore no adjustment has been made to the impairment provision. Cashflows and interest income may be impacted in 2020/21 due to the State Government legislating that rate instalments can be deferred until September 30 and no interest can be charged for the first 6 months. The impact this may have is not able to be measured at this stage however it is not expected to be significant.

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Berrigan Shire Council

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

Note 9. Inventories and other assets

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
(a) Inventories				
(i) Inventories at cost				
Real estate for resale	18	–	111	185
Stores and materials	257	–	178	–
Total inventories at cost	275	–	289	185
<u>TOTAL INVENTORIES</u>	<u>275</u>	<u>–</u>	<u>289</u>	<u>185</u>
(b) Other assets				
Prepayments	51	–	37	–
<u>TOTAL OTHER ASSETS</u>	<u>51</u>	<u>–</u>	<u>37</u>	<u>–</u>
Externally restricted assets				
\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Water				
Stores and materials	109	–	63	–
Total water	109	–	63	–
Sewerage				
Stores and materials	17	–	4	–
Total sewerage	17	–	4	–
Total externally restricted assets	126	–	67	–
Total unrestricted assets	200	–	259	185
<u>TOTAL INVENTORIES AND OTHER ASSETS</u>	<u>326</u>	<u>–</u>	<u>326</u>	<u>185</u>

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 9. Inventories and other assets (continued)

(i) Other disclosures

\$ '000	Notes	2020 Current	2020 Non-current	2019 Current	2019 Non-current
(a) Details for real estate development					
Residential		18	–	111	185
Total real estate for resale		18	–	111	185
(Valued at the lower of cost and net realisable value)					
Represented by:					
Acquisition costs		18	–	111	185
Total costs		18	–	111	185
Total real estate for resale		18	–	111	185
Movements:					
Real estate assets at beginning of the year		111	185	93	185
– Purchases and other costs		–	–	238	–
– WDV of sales (expense)	6	(278)	–	(220)	–
– Transfer between current/non-current		185	(185)	–	–
Total real estate for resale		18	–	111	185

Accounting policy for inventories and other assets

Raw materials and stores

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

Land held for resale/capitalisation of borrowing costs

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

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

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

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

	as at 30/06/19			Asset movements during the reporting period							as at 30/06/20			
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
\$ '000														
Capital work in progress	3,508	–	3,508	3,521	90	–	–	(3,345)	–	–	–	3,774	–	3,774
Plant and equipment	7,940	(4,929)	3,011	–	1,534	(224)	(819)	10	–	–	–	8,731	(5,220)	3,511
Office equipment	690	(594)	96	–	22	–	(21)	–	–	–	–	711	(614)	97
Land:														
– Operational land	9,276	–	9,276	–	–	–	–	–	(2,489)	–	477	7,264	–	7,264
– Community land	271	–	271	–	–	–	–	–	(25)	–	37	283	–	283
– Crown land	–	–	–	–	–	–	–	–	2,777	(2)	–	2,775	–	2,775
– Land under roads (post 30/6/08)	234	–	234	–	–	–	–	–	–	(125)	–	109	–	109
Land improvements – depreciable	1,058	(239)	819	–	–	–	(54)	–	(210)	–	–	847	(292)	555
Infrastructure:														
– Buildings – non-specialised	639	(11)	628	–	–	–	–	–	(628)	–	672	677	(5)	672
– Buildings – specialised	41,766	(12,638)	29,128	1,069	1,407	(186)	(573)	536	644	(374)	–	45,130	(13,478)	31,652
– Roads	156,397	(43,296)	113,101	1,870	386	(776)	(2,641)	2,124	(13)	–	–	159,725	(45,674)	114,051
– Bridges	7,987	(4,568)	3,419	–	–	–	(107)	–	(4)	–	–	7,970	(4,662)	3,308
– Footpaths	4,623	(1,239)	3,384	32	199	(71)	(74)	25	–	–	–	4,781	(1,286)	3,495
– Bulk earthworks (non-depreciable)	3,308	–	3,308	108	–	–	–	15	–	–	–	3,431	–	3,431
– Stormwater drainage	23,175	(4,887)	18,288	–	361	(82)	(250)	–	(52)	–	–	23,379	(5,114)	18,265
– Water supply network	48,607	(21,288)	27,319	99	49	–	(681)	132	–	–	18,745	62,652	(16,989)	45,663
– Sewerage network	42,597	(23,828)	18,769	285	–	(85)	(610)	–	–	–	26,564	62,024	(17,101)	44,923
– Swimming pools	2,952	(1,412)	1,540	–	–	–	(65)	–	2	–	493	3,295	(1,325)	1,970
– Other open space/recreational assets	9,767	(4,365)	5,402	587	–	–	(178)	503	(531)	–	1,444	10,125	(2,898)	7,227
Other assets:														
– Heritage collections	70	(3)	67	–	–	–	(1)	–	–	–	2	75	(6)	69
– Library books	274	(116)	158	–	27	(17)	(27)	–	–	–	–	236	(95)	141
– Other	8,838	(6,003)	2,835	168	–	–	(107)	–	529	–	5,936	15,706	(6,345)	9,361
Reinstatement, rehabilitation and restoration assets (refer Note 11):														
– Tip assets	433	(80)	353	–	–	–	(13)	–	–	–	16	449	(93)	356
– Quarry assets	46	(30)	16	–	–	–	(4)	–	–	–	1	46	(34)	12
Total Infrastructure, property, plant and equipment	374,456	(129,526)	244,930	7,739	4,075	(1,441)	(6,225)	–	–	(501)	54,387	424,195	(121,231)	302,964

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

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

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

	as at 30/06/18			Asset movements during the reporting period								as at 30/06/19		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss / revaluation decrements (recognised in equity)	WIP transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
\$ '000														
Capital work in progress	1,183	–	1,183	–	–	–	–	–	2,325	–	–	3,508	–	3,508
Plant and equipment	7,492	(4,331)	3,161	691	–	(85)	(818)	–	62	–	–	7,940	(4,929)	3,011
Office equipment	1,029	(904)	125	6	–	(4)	(31)	–	–	–	–	690	(594)	96
Land:														
– Operational land	9,299	–	9,299	122	–	(153)	–	–	–	–	8	9,276	–	9,276
– Community land	270	–	270	–	–	–	–	–	–	–	1	271	–	271
– Land under roads (post 30/6/08)	234	–	234	–	–	–	–	–	–	–	–	234	–	234
Land improvements – depreciable	765	(193)	572	131	162	–	(46)	–	–	–	–	1,058	(239)	819
Infrastructure:														
– Buildings – non-specialised	680	(43)	637	–	–	–	(9)	–	–	–	–	639	(11)	628
– Buildings – specialised	41,704	(11,392)	30,312	482	–	–	(572)	(652)	(417)	(25)	–	41,766	(12,638)	29,128
– Roads	157,312	(44,402)	112,910	4,015	–	(893)	(2,538)	–	(1,641)	–	1,248	156,397	(43,296)	113,101
– Bridges	7,969	(4,453)	3,516	8	–	–	(107)	–	–	–	2	7,987	(4,568)	3,419
– Footpaths	4,518	(1,179)	3,339	–	102	(4)	(70)	–	32	(15)	–	4,623	(1,239)	3,384
– Bulk earthworks (non-depreciable)	3,259	–	3,259	29	–	–	–	–	20	–	–	3,308	–	3,308
– Stormwater drainage	21,863	(4,631)	17,232	–	509	(23)	(240)	–	2	–	808	23,175	(4,887)	18,288
– Water supply network	47,638	(21,428)	26,210	207	–	(45)	(669)	–	71	–	1,545	48,607	(21,288)	27,319
– Sewerage network	41,215	(22,170)	19,045	16	–	(4)	(588)	–	–	–	300	42,597	(23,828)	18,769
– Swimming pools	2,952	(1,348)	1,604	–	–	–	(64)	–	–	–	–	2,952	(1,412)	1,540
– Other open space/recreational assets	8,189	(4,221)	3,968	730	1,222	–	(158)	–	(360)	–	–	9,767	(4,365)	5,402
Other assets:														
– Heritage collections	70	(2)	68	–	–	–	(1)	–	–	–	–	70	(3)	67
– Library books	931	(734)	197	18	–	(31)	(26)	–	–	–	–	274	(116)	158
– Other	8,596	(5,857)	2,739	61	157	–	(129)	–	7	–	–	8,838	(6,003)	2,835
Reinstatement, rehabilitation and restoration assets (refer Note 17):														
– Tip assets	324	(68)	256	101	–	–	(12)	–	(101)	–	109	433	(80)	353
– Quarry assets	47	(27)	20	–	–	–	(3)	–	–	(1)	–	46	(30)	16
Total Infrastructure, property, plant and equipment	367,539	(127,383)	240,156	6,617	2,152	(1,242)	(6,081)	(652)	–	(41)	4,021	374,456	(129,526)	244,930

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

Berrigan Shire Council

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.

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Crown Lands and Water (CLAW).

Increases in the carrying amounts arising on revaluation are credited to the 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:

	Years	Other equipment	Years
Plant and equipment			
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	Library books	10

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

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

Land under roads

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

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

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

Berrigan Shire Council

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 fire fighting 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 fire fighting equipment has been purchased or constructed".

These assets are under the control of RFS to enable that service to comply with the Service Delivery contract with Council and have not been recognised in these statements.

Until such time as discussions on this matter have concluded and the legislation changed, Council will not recognise rural fire service assets including land, buildings, plant and vehicles.

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	Accumulated depn. and impairment	Net carrying amount
\$ '000						
Water supply						
WIP	1,694	–	1,694	193	–	193
Plant and equipment	7	7	–	7	7	–
Office equipment	149	–	149	46	46	–
Land						
– Operational land	670	–	670	647	–	647
Buildings	10	8	2	193	66	127
Infrastructure	62,905	17,008	45,897	49,002	21,316	27,686
Total water supply	65,435	17,023	48,412	50,088	21,435	28,653
Sewerage services						
WIP	2	–	2	–	–	–
Plant and equipment	163	152	11	404	246	158
Land						
– Operational land	1,488	–	1,488	1,488	–	1,488
Buildings	254	14	240	429	14	415
Infrastructure	61,428	17,034	44,394	44,403	23,763	20,640
Total sewerage services	63,335	17,200	46,135	46,724	24,023	22,701
Domestic waste management						
Land						
TOTAL RESTRICTED IPP&E	128,770	34,223	94,547	96,812	45,458	51,354

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

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

\$ '000	Notes	2020	2019
Impairment losses recognised direct to equity (ARR):			
Memorial Park Public Toilets - Fire Damage		–	75
Berrigan War Memorial Pool Amenities Building - to be demolished and replaced		–	151
Tocumwal Foreshore Building - to be demolished and replaced		–	418
Tocumwal Tip Lunchroom - Fire Damaged		–	8
Total impairment losses		–	652
IMPAIRMENT OF ASSETS – DIRECT to EQUITY (ARR)		–	652

Note 11. Contract assets and liabilities

\$ '000	Notes	2020 Current	2020 Non-current
Contract liabilities			
Grants and contributions received in advance:			
Unexpended capital grants (to construct Council controlled assets)	(i)	622	–
Total grants received in advance		622	–
Total contract liabilities		622	–

Notes

(i) Council has received funding to construct assets including sporting facilities, library extensions 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 or AASB 1058 being satisfied since the performance obligations are ongoing.

\$ '000	2020 Current	2020 Non-current
(i) Contract liabilities relating to restricted assets		
Externally restricted assets		
Unspent grants held as contract liabilities (excl. Water & Sewer)	622	–
Contract liabilities relating to externally restricted assets	622	–
Total contract liabilities relating to restricted assets	622	–
Total contract liabilities	622	–

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 11. Contract assets and liabilities (continued)

\$ '000	2020
(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)	473
Total Revenue recognised during the financial year that was included in the contract liability balance at the beginning of the period	473

Significant changes in contract assets and liabilities

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

Accounting policy for contract assets and liabilities

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

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

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

Note 12. Leases

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

(i) Council as a lessee

Council does not have any material leases for the purpose of delivering services to its community. A number of minor leases over Crown lands have been classified as 'peppercorn' leases with annual rentals less than \$2,000 as disclosed in Note 12.

\$ '000	2020
(a) Income Statement	

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

Expenses relating to Peppercorn leases	1
	1

(b) Statement of Cash Flows

Total cash outflow for leases	1
	1

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Leases (continued)

Leases at significantly below market value – concessionary / peppercorn leases

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

- Community Services
- Second Hand Store/Car Park

The leases are generally between 5 and 30 years and require payments of a maximum amount of \$1,250 per year.

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

Accounting policy

Accounting policies under AASB 16 – applicable from 1 July 2019

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

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

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

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

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

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

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

Exceptions to lease accounting

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

Leases at significantly below market value / concessionary leases

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

Accounting policy under AASB 117 and associated Accounting Interpretations (2019 only)

Refer to Note 5c and Note 17.

(ii) Council as a lessor

(c) Operating leases

Council leases out a number of properties and plant & vehicles to staff and to community groups. These leases have been classified as operating leases for financial reporting purposes and the assets are included as IPP&E (refer in this note part (v) below) in the Statement of Financial Position.

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

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 12. Leases (continued)

\$ '000 2020

(i) Operating lease income

Other lease income

Staff Housing	19
Caravan Park	35
Leaseback fees - council vehicles	61
Other facilities	37
Total income relating to operating leases	152

(ii) Operating lease expenses

\$ '000	Land 2020	Buildings & Oth Structures 2020
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(v) Reconciliation of IPP&E assets leased out as operating leases

Opening balance as at 1 July 2019	784	4,108
Additions renewals	–	20
Depreciation expense	–	12
Revaluation increments to equity (ARR)	–	2,327
Closing balance as at 30 June 2020	784	6,467

Accounting policy

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

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

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

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

Berrigan Shire Council

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

Note 13. Payables and borrowings

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Payables				
Goods and services – operating expenditure	668	–	458	–
Goods and services – capital expenditure	524	–	–	–
Accrued expenses:				
– Salaries and wages	181	–	292	–
– Other expenditure accruals	23	–	1	–
Security bonds, deposits and retentions	273	–	86	–
Prepaid rates	306	–	–	–
Total payables	1,975	–	837	–
Income received in advance (2019 only)				
Payments received in advance	–	–	235	–
Total income received in advance	–	–	235	–
Borrowings				
Loans – secured ¹	259	1,567	161	833
Total borrowings	259	1,567	161	833
<u>TOTAL PAYABLES AND BORROWINGS</u>	<u>2,234</u>	<u>1,567</u>	<u>1,233</u>	<u>833</u>

(1) Loans are secured over the general rating income of Council.
Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 19.

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
(a) Payables and borrowings relating to restricted assets				
Externally restricted assets				
Water	5	–	16	–
Payables and borrowings relating to externally restricted assets	5	–	16	–
Total payables and borrowings relating to restricted assets	5	–	16	–
Total payables and borrowings relating to unrestricted assets	2,229	1,567	1,217	833
<u>TOTAL PAYABLES AND BORROWINGS</u>	<u>2,234</u>	<u>1,567</u>	<u>1,233</u>	<u>833</u>

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 13. Payables and borrowings (continued)

(b) Changes in liabilities arising from financing activities

\$ '000	as at 30/06/19		Non-cash changes			as at 30/06/20	
	Opening Balance	Cash flows	Acquisition	Fair value changes	Acquisition due to change in accounting policy	Other non-cash movement	Closing balance
Loans – secured	994	(168)	1,000	–	–	–	1,826
TOTAL	994	(168)	1,000	–	–	–	1,826

\$ '000	as at 30/06/18		Non-cash changes			as at 30/06/19
	Opening Balance	Cash flows	Acquisition	Fair value changes	Other non-cash movement	Closing balance
Loans – secured	1,150	(156)	–	–	–	994
TOTAL	1,150	(156)	–	–	–	994

Accounting policy for payables and borrowings

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

The financial liabilities of the Council comprise trade payables, bank and other loans and finance lease liabilities.

Payables

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

Borrowings

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

Berrigan Shire Council

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

Note 14. Provisions

\$ '000	2020 Current	2020 Non-current	2019 Current	2019 Non-current
Provisions				
Employee benefits				
Annual leave	824	–	794	–
Long service leave	1,562	118	1,487	78
Other leave	94	–	22	–
ELE on-costs	188	7	–	–
Sub-total – aggregate employee benefits	2,668	125	2,303	78
Asset remediation/restoration:				
Asset remediation/restoration (future works)	34	563	34	347
Sub-total – asset remediation/restoration	34	563	34	347
TOTAL PROVISIONS	2,702	688	2,337	425

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

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

Provisions – employees benefits	1,411	1,240
	<u>1,411</u>	<u>1,240</u>

(b) Description of and movements in provisions

\$ '000	ELE provisions				Total
	Annual leave	Long service leave	ELE on-costs	Other employee benefits	
2020					
At beginning of year	794	1,565	–	22	2,381
Additional provisions	324	428	–	89	841
Amounts used (payments)	(294)	(313)	–	(17)	(624)
Other	–	–	195	–	195
Total ELE provisions at end of year	824	1,680	195	94	2,793
2019					
At beginning of year	773	1,526	–	40	2,339
Other	21	39	–	(18)	42
Total ELE provisions at end of year	794	1,565	–	22	2,381

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Provisions (continued)

\$ '000	Other provisions	
	Asset remediation	Total
2020		
At beginning of year	381	381
Unwinding of discount	216	216
Total other provisions at end of year	597	597
2019		
At beginning of year	374	374
Unwinding of discount	7	7
Total other provisions at end of year	381	381

Nature and purpose of non-employee benefit provisions

Asset remediation

Council has a legal/public obligation to make, restore, rehabilitate and reinstate the Council tip and quarry.

Accounting policy for provisions

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

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.

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 14. Provisions (continued)

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.

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.

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

Berrigan Shire Council

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)

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.

(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.

Revenue recognition from contract modifications

In relation to contract modifications, AASB 15 requires customer approval, which is a more prudent criteria than the probability requirement in the previous standards and has resulted in deferral of revenue where unapproved works have been performed.

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

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

Principal v agent

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

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

Licences

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

Prepaid rates

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

Grants – operating

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

Berrigan Shire Council

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)

is enforceable, then the asset is recognised as a contract liability on receipt and recorded as revenue as the performance obligation to acquire or construct the asset is completed.

\$ '000	Balance at 1 July 2019
Opening contract balances at 1 July 2019	
Contract liabilities	
– Under AASB 15	–
– Under AASB 1058	473
Total Contract liabilities	473

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

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

Statement of Financial Position

\$ '000	Carrying amount per Statement of Financial Position under AASB 15 and AASB 1058	Reclassific- ation	Remeasur-e ment	Carrying amount under previous revenue standards
Current assets				
Cash and cash equivalents	11,245	–	–	11,245
Investments	27,046	–	–	27,046
Receivables	1,743	–	–	1,743
Inventories	275	–	–	275
Other	51	–	–	51
Total current assets	40,360	–	–	40,360
Current liabilities				
Payables	1,975	–	–	1,975
Contract liabilities	622	–	(622)	–
Borrowings	259	–	–	259
Provisions	2,702	–	–	2,702
Total current liabilities	5,558	–	(622)	4,936
Non-current assets				
Infrastructure, property, plant and equipment	302,964	–	–	302,964
Total non-current assets	302,964	–	–	302,964
Non-current liabilities				
Borrowings	1,567	–	–	1,567
Provisions	688	–	–	688
Total Non-current liabilities	2,255	–	–	2,255
Net assets	335,511	–	622	336,133

Berrigan Shire Council

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	Reclassification	Remeasur-ement	Carrying amount under previous revenue standards
Equity				
Accumulated surplus	122,304	–	622	122,926
Revaluation reserves	213,207	–	–	213,207
Council equity interest	335,511	–	622	336,133
Total equity	335,511	–	622	336,133

The introduction of AASB 15 and AASB 1058 has resulted in the reporting of income, largely from government grants, to be presented on the basis of recognition of contract liabilities where income is received in advance of the performance of the obligations associated with the contract at balance date. Such revenues were previously taken to account as income when received.

Income Statement

\$ '000	Income Statement and comprehensive income under AASB 15 and AASB 1058	Reclassification	Remeasur-ement	Income Statement and comprehensive income under previous revenue standards
<u>Income from continuing operations</u>				
Rates and annual charges	10,570	–	–	10,570
User charges and fees	2,648	–	–	2,648
Other revenues	1,010	–	–	1,010
Grants and contributions provided for operating purposes	7,834	–	–	7,834
Grants and contributions provided for capital purposes	3,631	–	(149)	3,482
Interest and investment income	669	–	–	669
Rental income	152	–	–	152
Total Income from continuing operations	26,514	–	(149)	26,365
<u>Expenses from continuing operations</u>				
Employee benefits and on-costs	7,617	–	–	7,617
Borrowing costs	257	–	–	257
Materials and contracts	5,109	–	–	5,109
Depreciation and amortisation	6,225	–	–	6,225
Other expenses	2,394	–	–	2,394
Net losses from the disposal of assets	558	–	–	558
Total Expenses from continuing operations	22,160	–	–	22,160
Total Operating result from continuing operations	4,354	–	(149)	4,205
Net operating result for the year	4,354	–	(149)	4,205
Total comprehensive income	58,240	–	–	58,240

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

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

The introduction of AASB 15 and AASB 1058 has resulted in the reporting of income, largely from government grants, to be presented on the basis of recognition of contract liabilities for certain revenues where income is received in advance of the performance of the obligations associated with the contract at balance date. Such revenues were previously taken to account as income and are now presented as liabilities.

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

Statement of Financial Position

\$ '000	Original Balance 1 July, 2019	Impact Increase/ (decrease)	Restated Balance 1 July, 2019
Contract assets	-	-	-
Total assets	282,572	-	282,572
Contract liabilities	-	473	473
Total liabilities	4,828	473	5,301
Accumulated surplus	-	(473)	(473)
Total equity	277,744	(473)	277,271

(iii) AASB 16 Leases

Council as a lessee

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

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

Practical expedients used on transition

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

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

Financial statement impact of adoption of AASB 16

Council has not recognised right-of-use assets or lease liabilities at 1 July 2019 for leases previously classified as operating leases, or leases that are significantly below market value which were previously off balance sheet.

Council as a lessor

For the arrangements where Council is a lessor, there are no significant accounting policy changes on adoption of AASB 16 except for sub-leases, which have now been classified in relation to the right-of-use asset under the head lease rather than the underlying asset.

Berrigan Shire Council

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)

(c) Voluntary changes in accounting policies

Nature of changes in accounting policies

Council made no voluntary changes to accounting policies during the year ending 30 June 2020.

(d) Changes in accounting estimates

Nature and effect of changes in accounting estimates on current year

Council made no changes to accounting estimates during the year ending 30 June 2020.

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Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 16. Statement of cash flow information

\$ '000	Notes	2020	2019
(a) Reconciliation of cash and cash equivalents			
Total cash and cash equivalents per Statement of Financial Position	7(a)	11,245	7,378
Balance as per the Statement of Cash Flows		11,245	7,378
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		4,354	4,115
Adjust for non-cash items:			
Depreciation and amortisation		6,225	6,081
Net losses/(gains) on disposal of assets		558	651
Adoption of AASB 15/1058		(473)	–
Unwinding of discount rates on reinstatement provisions		216	7
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		10	1,080
Decrease/(increase) in inventories		(79)	16
Decrease/(increase) in other current assets		(14)	28
Increase/(decrease) in payables		210	(261)
Increase/(decrease) in other accrued expenses payable		(89)	(46)
Increase/(decrease) in other liabilities		258	50
Increase/(decrease) in contract liabilities		622	–
Increase/(decrease) in provision for employee benefits		412	42
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		12,210	11,763

Berrigan Shire Council

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

Note 17. Commitments

\$ '000	2020	2019
Capital commitments (exclusive of GST)		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Buildings	–	372
Plant and equipment	1,078	212
Water infrastructure	559	45
Roadworks	81	505
Sewer Infrastructure	133	–
Other	–	373
Total commitments	1,851	1,507
These expenditures are payable as follows:		
Within the next year	1,851	1,507
Total payable	1,851	1,507
Sources for funding of capital commitments:		
Unrestricted general funds	41	212
Future grants and contributions	40	1,250
Externally restricted reserves	692	45
Internally restricted reserves	1,078	–
Total sources of funding	1,851	1,507

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Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 18. Contingencies

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

LIABILITIES NOT RECOGNISED

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

Description of the funding arrangements.

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

The future service 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 future service 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% of 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 the total additional contributions of \$40 million per annum from 1 July 2019 to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2019. These past service contributions are used to maintain the adequacy of the funding position for the accrued liabilities.

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

Description of the extent to which Council can be liable to the plan for other Council's obligations under the terms and conditions of the multi-employer plan

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

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

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

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 18. Contingencies (continued)

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2020 was \$127,526.48. The last valuation of the Scheme was performed by Mr Richard Boyfield, FIAA as at 30 June 2019.

Council's expected contribution to the plan for the next annual reporting period is \$124,554.56

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 share of this deficit that is broadly attributed to Council is estimated to be in the order of 0.16% as at 30 June 2020.

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

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

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

* Plus promotional increases

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

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

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

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

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 18. Contingencies (continued)

2. Other liabilities

(i) Third party claims

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

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

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.

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Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Financial risk management

Risk management

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

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

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

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

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

\$ '000	Carrying value 2020	Carrying value 2019	Fair value 2020	Fair value 2019
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	11,245	7,378	11,245	7,378
Receivables	1,743	1,753	1,743	1,753
Investments				
– 'Financial assets at amortised cost'	27,046	28,000	27,046	28,000
Total financial assets	40,034	37,131	40,034	37,131
Financial liabilities				
Payables	1,975	837	1,975	837
Loans/advances	1,826	994	1,826	994
Total financial liabilities	3,801	1,831	3,801	1,831

Fair value is determined as follows:

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

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

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

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Financial risk management (continued)

Council manages these risks (amongst other measures) by investing only in term deposits, in line with Council's Financial Strategy 2016.

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

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

\$ '000	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2020				
Possible impact of a 1% movement in interest rates	270	(270)	(270)	270
2019				
Possible impact of a 1% movement in interest rates	354	(354)	(354)	354

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Financial risk management (continued)

(b) Credit risk

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

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

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

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

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.

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
2020						
Gross carrying amount	–	487	44	31	8	570
2019						
Gross carrying amount	525	41	33	14	8	621

Receivables - non-rates and annual charges

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

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

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
2020						
Gross carrying amount	622	469	5	1	76	1,173
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ECL provision	–	–	–	–	–	–
2019						
Gross carrying amount	473	475	1	19	164	1,132
Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ECL provision	–	–	–	–	–	–

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 19. Financial risk management (continued)

(c) Liquidity risk

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

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

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

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

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

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

\$ '000	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 - 5 Years	> 5 Years		
2020							
Trade/other payables	0.00%	273	1,396	–	–	1,669	1,669
Loans and advances	3.29%	–	258	1,157	411	1,826	1,826
Total financial liabilities		273	1,654	1,157	411	3,495	3,495
2019							
Trade/other payables	0.00%	86	86	665	–	837	837
Loans and advances	4.26%	200	200	594	–	994	994
Total financial liabilities		286	286	1,259	–	1,831	1,831

Loan agreement breaches

There have been no breaches to loan agreements during the reporting year.

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 20. Material budget variations

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

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

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

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

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

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
REVENUES				
Rates and annual charges	10,265	10,570	305	3% F
User charges and fees	1,720	2,648	928	54% F
Council budgets for fees and charges conservatively. In particular water consumption has exceeded expectations.				
Other revenues	578	1,010	432	75% F
Council budgets for other revenues conservatively.				
Operating grants and contributions	6,863	7,834	971	14% F
Financial Assistance Grant was paid in advance.				
Capital grants and contributions	6,074	3,631	(2,443)	(40)% U
Grant funds are released on milestones rather than award of the grant.				
Interest and investment revenue	714	669	(45)	(6)% U
Rental income	-	152	152	∞ F
Council did not budget for rental income.				

Berrigan Shire Council

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

Note 20. Material budget variations

\$ '000	2020 Budget	2020 Actual	2020 ----- Variance -----	
EXPENSES				
Employee benefits and on-costs	4,592	7,617	(3,025)	(66)% U
Council did not budget accordingly for Employee Benefits and on-costs.				
Borrowing costs	170	257	(87)	(51)% U
The unwinding of provision costs are not included in budgeted costs.				
Materials and contracts	6,272	5,109	1,163	19% F
Council continues to be successful in grant applications. There is a disconnect between funding, payments and budgets due to variable milestone timelines.				
Depreciation and amortisation	6,040	6,225	(185)	(3)% U
Other expenses	2,299	2,394	(95)	(4)% U
Net losses from disposal of assets	-	558	(558)	∞ U
STATEMENT OF CASH FLOWS				
Cash flows from operating activities	12,915	12,210	(705)	(5)% U
Council continues to be successful in grant funding which often require co-contributions from Council. In turn, this causes Council's material and contracts expenses to increase. Council also under budgetted on Employee benefits and on-costs which sees the budgeted cashflow decrease.				
Cash flows from investing activities	(17,680)	(9,175)	8,505	(48)% F
Stronger than anticipated overall performance resulted in a stronger cash position, which was not invested in Term Deposits but rather held in cash at bank.				
Cash flows from financing activities	4,439	832	(3,607)	(81)% U
Council did not draw down on borrowings this financial year to the extent previously expected.				

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Fair Value Measurement

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

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

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	Fair value measurement hierarchy				Total
	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
\$ '000					
Recurring fair value measurements					
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/20	–	–	3,511	3,511
Office equipment	30/06/20	–	–	97	97
Operational land	30/06/20	–	–	7,264	7,264
Community land	30/06/20	–	–	283	283
Crown Land	30/06/20	–	–	2,775	2,775
Land under roads (post 30/06/08)	30/06/20	–	–	109	109
Land improvements – depreciable	30/06/14	–	–	555	555
Buildings – non-specialised	30/06/20	–	–	672	672
Buildings – specialised	30/06/20	–	–	31,652	31,652
Roads	30/06/19	–	–	114,051	114,051
Bridges	30/06/18	–	–	3,308	3,308
Footpaths	30/06/18	–	–	3,495	3,495
Bulk earthworks	30/06/18	–	–	3,431	3,431
Stormwater drainage	30/06/19	–	–	18,265	18,265
Water supply network	30/06/20	–	–	45,663	45,663
Sewer network	30/06/20	–	–	44,923	44,923
Swimming pools	30/06/20	–	–	1,970	1,970
Heritage collections	30/06/20	–	–	7,227	7,227
Library books	30/06/18	–	–	69	69
Other assets	30/06/20	–	–	141	141
Tip assets	30/06/20	–	–	9,361	9,361
Open Space	30/06/20	–	–	12	12
Quarry assets	30/06/20	–	–	356	356
Total infrastructure, property, plant and equipment		–	–	299,190	299,190

Berrigan Shire Council

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

Note 21. Fair Value Measurement (continued)

2019	Fair value measurement hierarchy				Total
	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
\$ '000					
Recurring fair value measurements					
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/13	–	–	3,011	3,011
Office equipment	30/06/14	–	–	96	96
Operational land	30/06/18	–	–	9,276	9,276
Community land	30/06/18	–	–	271	271
Crown Land	30/6/2020	–	–	–	–
Land under roads (post 30/06/08)	30/06/18	–	–	234	234
Land improvements – depreciable	30/06/14	–	–	819	819
Buildings – non-specialised	30/06/18	–	–	628	628
Buildings – specialised	30/06/18	–	–	29,128	29,128
Roads	30/06/19	–	–	113,101	113,101
Bridges	30/06/18	–	–	3,419	3,419
Footpaths	30/06/18	–	–	3,384	3,384
Bulk earthworks	30/06/18	–	–	3,308	3,308
Stormwater drainage	30/06/19	–	–	18,288	18,288
Water supply network	30/06/19	–	–	27,319	27,319
Sewer network	30/06/19	–	–	18,769	18,769
Swimming pools	30/06/17	–	–	1,540	1,540
Heritage collections	30/06/16	–	–	67	67
Library books	30/06/18	–	–	158	158
Other assets	30/06/16	–	–	2,835	2,835
Tip assets	30/06/18	–	–	353	353
Open Space	30/06/13	–	–	5,402	5,402
Quarry assets	30/06/18	–	–	16	16
Total infrastructure, property, plant and equipment		–	–	241,422	241,422

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

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

Council's policy for determining transfers between fair value hierarchies is at the end of the reporting period.

There were no transfers in or out of level 1 and level 2 fair valuation hierarchy

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Fair Value Measurement (continued)

(3) Valuation techniques used to derive level 2 and level 3 fair values

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: Major plant (graders, loaders, etc.), fleet vehicles (cars, utes, etc.) and minor plant (chainsaws, mowers etc.)

Valuation technique – “Cost approach”

Inputs used (Level 3) – Fair value is approximated by depreciated historical cost.

Office Equipment: Computers, office furniture

Valuation technique – “Cost approach”

Inputs used (Level 3) – Fair value is approximated by depreciated historical cost.

Operational land: Land under Council offices, depots, libraries, water and sewer treatment plants etc.

Valuation technique – “Market approach”

Inputs used (Level 3) – Land area, rate per square metre, zoning, geographical location, sales of comparable land.

Council’s operational land has been valued at a market value, involving the inspection and analysis of sales evidence and comparisons with the subject property with adjustment for differences between key attributes of the properties.

Council’s operational land was valued by APV Valuers and Asset Management Pty Ltd, a registered valuer.

Community land: Land under parks, recreation reserves, public halls etc.

Valuation technique – “Market approach”

Inputs used (Level 3) – Land area, rate per square metre, zoning, geographical location, sales of comparable land

Council’s operational land has been valued at a market value, involving the inspection and analysis of sales evidence and comparisons with the subject property with adjustment for differences between key attributes of the properties.

Council’s community land was valued using the unimproved land value provided by the NSW Valuer General in accordance with Office of Local Government guidance for infrastructure assets, as well as input from APV Valuers and Asset Management Pty Ltd.

Land under roads: Land under roads acquired since 1 July 2008

Valuation technique – “Market approach”

Inputs used (Level 3) – Land area, rate per square metre, zoning, geographical location, sales of comparable land.

Council’s operational land has been valued at a market value, involving the inspection and analysis of sales evidence and comparisons with the subject property with adjustment for differences between key attributes of the properties. As the Council’s land under roads assets have no feasible alternate use, significant adjustments to the rate per square meter have been applied to the unobservable inputs and are based on a rate per square metre.

Council’s Land under roads was valued by APV Valuers and Asset Management Pty Ltd, a registered valuer.

Land Improvements - depreciable: Car parks, netball and tennis courts, fences etc.

Valuation technique – “Cost approach”

Inputs used (Level 3) –, dimensions, specifications. (Level 3) – Unit rates, Condition, Remaining life, Residual value

These assets were valued at depreciated replacement cost. Available market data for recent projects and published cost guides are used to determine the estimated replacement cost of the asset, including preliminaries. A condition assessment

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Fair Value Measurement (continued)

is then applied based on factors such as the age of the asset, overall condition and remaining life. In some cases, residual values are factored into the calculation, which is the value at the time the asset is considered to no longer be available.

Council's Land Improvements were valued at depreciated historical cost as a representation of fair value in accordance with Office of Local Government guidance for infrastructure assets.

Buildings (Non-specialised): Residences

Valuation technique – "Market approach"
Inputs used (Level 3) – Sales evidence

Council's non-specialised buildings have been valued at a market value, involving the inspection and analysis of sales evidence and comparisons with the subject building with adjustment for differences between key attributes of the properties. The land value is then subtracted from the market value of the property to measure the building asset fair value.

Council's Buildings (non-specialised) was valued by APV Valuers and Asset Management Pty Ltd, a registered valuer.

Buildings (Specialised): Community halls, toilet blocks, Council office, libraries, depot buildings, sheds etc.

Valuation technique – "Cost approach"
Inputs used (Level 3) – Unit rates, dimensions, specifications. (Level 3) – Condition, Remaining life, Residual value

These assets were valued at depreciated replacement cost. Available market data for recent projects and published cost guides are used to determine the estimated replacement cost of the asset, including preliminaries. A condition assessment is then applied based on factors such as the age of the asset, overall condition and remaining life. In some cases, residual values are factored into the calculation, which is the value at the time the asset is considered no longer to be available.

Council's Buildings (specialised) was valued by APV Valuers and Asset Management Pty Ltd, a registered valuer.

Roads, Bridges, Footpaths: Road surface, pavement, formation, road furniture, bridges, culverts.

Valuation technique – "Cost approach"
Inputs used (Level 3) – Unit rates, useful life, asset condition, specifications.

These assets were valued at depreciated replacement cost. Council's road infrastructure assets are segmented and componentised into the following categories:

- Seal
- Pavement
- Formation and earthworks
- Culverts
- Road furniture (signs, guideposts, guardrails)

Council has surveyed its entire road network to measure both length and width of pavement and seal.

Unit rates were based on Council's own cost data based on its average cost across its entire road network, benchmarked against rates provided in relevant construction cost guides. Unit rates are applied consistently across the road network regardless of topography, soil type and geographical location.

Condition assessments have been applied across the entire road network to establish remaining useful lives. Bridges were valued on the basis of deck area, with composite deck being \$1,900 per square metre, and concrete \$2,200 per square metre.

Culverts were valued on their replacement cost from a relevant construction cost guide.

Council's roads, bridges and footpath assets were valued in-house by Mr Fred Exton – Engineering Services Manager

Bulk earthworks: Levee banks.

Valuation technique – "Cost approach"
Inputs used (Level 3) – Unit rates, dimensions, condition

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Fair Value Measurement (continued)

The unit rates were determined by current replacement cost.

Council's bulk earthworks were valued in-house by Mr Fred Exton – Engineering Services Manager.

Stormwater drainage: Kerb and gutter, drainage network, pumps and pump well, retention basins etc.

Valuation technique – “Cost approach”

Inputs used (Level 3) – Unit rates, useful life, asset condition, dimensions and specification

Council has surveyed its entire stormwater drainage network to measure both length and width of pipes and location and depth of pits.

Unit rates were based on Council's own cost data based on its average cost across its entire stormwater drainage network, benchmarked against rates provided in relevant construction cost guides. Values for pumps are based on depreciated replacement cost.

Condition assessments have been applied across the entire drainage network to establish remaining useful lives.

Council's stormwater drainage assets were valued in-house by Mr Fred Exton – Engineering Services Manager.

Water Supply Network: Treatment plants, mains, reservoirs etc.

Valuation technique – “Cost approach”

Inputs used (Level 3) – Unit rates, useful life, asset condition, dimensions and specification

The Council has surveyed its entire sewerage network to measure both length and width of pipes and their location.

Unit rates are based on the NSW References Rates Manual: Valuation of Water Supply, Sewerage and Stormwater Assets, including annual indexation.

Condition assessments were applied to individual assets based on inspection programs, including the use of cameras. Where inspections have not been, or are unable to be, made the life of the asset has been used to estimate condition.

Council's water network assets were valued externally by APV Valuers and Asset Management.

Sewerage Network: Sewer pipes, pump stations, treatment plants etc.

Valuation technique – “Cost approach”

Inputs used (Level 3) – Unit rates, useful life, asset condition, dimensions and specification

The Council has surveyed its entire sewerage network to measure both length and width of pipes and location and depth of pits. Unit rates are based on the NSW References Rates Manual: Valuation of Water Supply, Sewerage and Stormwater Assets, including annual indexation.

Condition assessments were applied to individual assets based on inspection programs, including the use of cameras. Where inspections have not been, or are unable to be, made the life of the asset has been used to estimate condition.

Council's sewerage network assets were valued externally by APV Valuers and Asset Management.

Other Assets

Heritage collections:

Valuation technique – “Cost approach”

Inputs used (Level 3) – Fair value is approximated by depreciated historical cost

Library books: Books and other collection items.

Valuation technique – “Cost approach”

Inputs used (Level 3) – Fair value is approximated by depreciated historical cost

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Fair Value Measurement (continued)

Library books are valued as bulk annual purchases and depreciated using a standard useful life.

Other Assets:

Valuation technique – “Cost approach”

Inputs used (Level 3) – Fair value is approximated by depreciated historical cost

Councils other assets were valued at depreciated historical cost as a representation of fair value in accordance with Office of Local Government guidance for infrastructure assets.

Tip & Quarry Assets:

Valuation technique – “Cost approach”

Inputs used (Level 3) – Fair value is approximated by depreciated historical cost

Councils tip and quarry assets were valued at depreciated historical cost, and remediation costs are estimated in House by Mr Fred Exton, Director of Technical Services, and are factored to account for inflation.

Open Space Assets:

Valuation technique – “Cost approach”

Inputs used (Level 3) – Fair value is approximated by depreciated historical cost

Councils tip and quarry assets were valued at depreciated historical cost as a representation of fair value in accordance with Office of Local Government guidance for infrastructure assets.

Non-current assets classified as ‘held for sale’

Assets previously classified as “Held for Sale” are actively being marketed however as they may not sell within 12 months, or indeed for some considerable time they have been transferred to Inventory assets along with all other land being marketed.

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Fair Value Measurement (continued)

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

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

\$ '000	Operational Land	Community Land	Crown Land	Depreciable land improvements	Land under roads
2019					
Opening balance	9,299	270	–	572	234
Transfers from/(to) another asset class	(1)	1	–	–	–
Purchases (GBV)	122	–	–	293	–
Disposals (WDV)	(153)	–	–	–	–
Depreciation and impairment	–	–	–	(46)	–
Revaluation	9	–	–	–	–
Closing balance	9,276	271	–	819	234
2020					
Opening balance	9,276	271	–	819	234
Transfers from/(to) another asset class	(2,489)	(25)	2,777	(210)	–
Depreciation and impairment	–	–	–	(54)	–
Revaluation	477	37	(2)	–	(125)
Closing balance	7,264	283	2,775	555	109

\$ '000	Buildings non-specialised	Building specialised	Plant and equipment	Office equipment	Roads
2019					
Opening balance	637	30,312	3,161	125	112,910
Transfers from/(to) another asset class	–	–	753	–	–
Purchases (GBV)	–	65	–	6	2,374
Disposals (WDV)	–	–	(85)	(4)	(893)
Depreciation and impairment	(9)	(1,224)	(818)	(31)	(2,538)
Revaluation	–	(25)	–	–	1,248
Closing balance	628	29,128	3,011	96	113,101
2020					
Opening balance	628	29,128	3,011	96	113,101
Transfers from/(to) another asset class	(628)	645	–	–	(13)
Purchases (GBV)	–	3,012	1,543	22	4,380
Disposals (WDV)	–	(186)	(224)	–	(776)
Depreciation and impairment	–	(573)	(819)	(21)	(2,641)
Revaluation	672	(374)	–	–	–
Closing balance	672	31,652	3,511	97	114,051

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Fair Value Measurement (continued)

\$ '000	Bridges	Footpaths	Bulk earth	Stormwater drainage	Water supply network
2019					
Opening balance	3,516	3,339	3,259	17,232	26,210
Purchases (GBV)	8	134	49	511	277
Disposals (WDV)	–	(4)	–	(23)	(44)
Depreciation and impairment	(107)	(70)	–	(240)	(669)
Revaluation	2	(15)	–	808	1,545
Closing balance	3,419	3,384	3,308	18,288	27,319
2020					
Opening balance	3,419	3,384	3,308	18,288	27,319
Transfers from/(to) another asset class	(4)	–	–	(52)	–
Purchases (GBV)	–	256	123	361	280
Disposals (WDV)	–	(71)	–	(82)	–
Depreciation and impairment	(107)	(74)	–	(250)	(681)
Revaluation	–	–	–	–	18,745
Closing balance	3,308	3,495	3,431	18,265	45,663
\$ '000	Sewerage network	Swimming pools	Heritage collections	Library books	Other assets
2019					
Opening balance	19,045	1,604	68	197	6,707
Purchases (GBV)	16	–	–	18	1,817
Disposals (WDV)	(4)	–	–	(31)	–
Depreciation and impairment	(588)	(64)	(1)	(26)	(287)
Revaluation	300	–	–	–	–
Closing balance	18,769	1,540	67	158	8,237
2020					
Opening balance	18,769	1,540	67	158	8,237
Transfers from/(to) another asset class	–	2	–	–	(2)
Purchases (GBV)	285	–	–	27	1,258
Disposals (WDV)	(85)	–	–	(17)	–
Depreciation and impairment	(610)	(65)	(1)	(27)	(285)
Revaluation	26,564	493	2	–	7,380
Closing balance	44,923	1,970	68	141	16,588

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Fair Value Measurement (continued)

\$ '000	Tip and quarry assets	Total
2019		
Opening balance	276	238,973
Transfers from/(to) another asset class	–	753
Purchases (GBV)	–	5,690
Disposals (WDV)	–	(1,241)
Depreciation and impairment	(15)	(6,733)
Revaluation	108	3,980
Closing balance	369	241,422
2020		
Opening balance	369	241,422
Transfers from/(to) another asset class	–	1
Purchases (GBV)	–	11,547
Disposals (WDV)	–	(1,441)
Depreciation and impairment	(17)	(6,225)
Revaluation	17	53,886
Closing balance	369	299,190

b. Information relating to the transfers into and out of the level 3 fair valuation hierarchy (as disclosed in the table above) includes:

There were no FV hierarchy transfer into or out of level 3.

c. 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	
Plant & Equipment	<ul style="list-style-type: none"> • Cost Approach • Gross Replacement Cost • Remaining Useful Life
Office Equipment	<ul style="list-style-type: none"> • Cost Approach • Gross Replacement Cost • Remaining Useful Life
Operational Land	<ul style="list-style-type: none"> • Market Approach • Price per square metre, Land area, zoning, geographical location, sales of comparable land
Community Land	<ul style="list-style-type: none"> • Market Approach • Price per square metre, Land area, zoning, geographical location, sales of comparable land
Land under Roads (post 30/06/08)	<ul style="list-style-type: none"> • Market Approach • Price per square metre, Land area, zoning, geographical location, sales of comparable land • Alternate Uses
Land Improvements - Depreciable	<ul style="list-style-type: none"> • Cost Approach • Unit Rates • Asset Condition • Useful Life
Buildings – Non Specialised	<ul style="list-style-type: none"> • Cost Approach • Unit Rates • Asset Condition • Useful Life
Buildings - Specialised	<ul style="list-style-type: none"> • Cost Approach • Unit Rates • Asset Condition • Useful Life

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 21. Fair Value Measurement (continued)

	Valuation technique/s	Unobservable inputs
Roads	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life
Bridges	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life
Footpaths	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life
Bulk Earthworks	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life
Stormwater Drainage	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life
Water Supply Network	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life
Sewer Network	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life
Swimming Pools	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life
Heritage Collections	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life
Library Books	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life
Other Assets	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life
Tip & Quarry Assets	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful Life

d. The valuation process for level 3 fair value measurements

The valuation process/es they use for level 3 fair valuation measurements is to use the market or cost approach (as indicated above) to review fair value, where the relationship of unobservable inputs to Fair Value are affected by any change in component pricing and asset condition. Asset valuations are reviewed annually by the Director of Technical Services and the Finance Manager.

(5) Highest and best use

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

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 22. Related party disclosures

(a) Key management personnel

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

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

\$ '000	2020	2019
Compensation:		
Short-term benefits	930	1,051
Post-employment benefits	108	121
Total	1,038	1,172

(b) Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

There are no other disclosures to be made by KMP.

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 23. Events occurring after the reporting date

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

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Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 24. Statement of developer contributions

Under the *Environmental Planning and Assessment Act 1979*, Council has 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			Interest earned in year	Expenditure during year	Internal borrowing (to)/from	as at 30/06/20	
	Opening Balance	Contributions received during the year Cash	Non-cash				Held as restricted asset	Cumulative internal borrowings due/(payable)
\$ '000								
S7.11 not under plans	118	14	–	–	–	–	132	–
S64 contributions	338	130	–	–	–	–	468	–
Total contributions	456	144	–	–	–	–	600	–

S7.11 Contributions – not under a plan

CONTRIBUTIONS NOT UNDER A PLAN

Drainage	29	5	–	–	–	–	34	–
Parking	16	–	–	–	–	–	16	–
Open space	73	9	–	–	–	–	82	–
Total	118	14	–	–	–	–	132	–

S64 contributions

S64 contributions

Water	327	113	–	–	–	–	440	–
Sewer	11	17	–	–	–	–	28	–
Total	338	130	–	–	–	–	468	–

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 25. Result by fund

\$ '000	General ¹ 2020	Water 2020	Sewer 2020
Income Statement by fund			
Income from continuing operations			
Rates and annual charges	6,480	2,028	2,062
User charges and fees	1,315	1,263	70
Interest and investment revenue	518	102	49
Other revenues	250	716	44
Grants and contributions provided for operating purposes	7,834	–	–
Grants and contributions provided for capital purposes	3,501	113	17
Rental income	152	–	–
Total income from continuing operations	20,050	4,222	2,242
Expenses from continuing operations			
Employee benefits and on-costs	6,779	481	357
Borrowing costs	257	–	–
Materials and contracts	2,674	1,403	1,032
Depreciation and amortisation	4,856	709	660
Other expenses	1,725	420	249
Net losses from the disposal of assets	473	–	85
Total expenses from continuing operations	16,764	3,013	2,383
Operating result from continuing operations	3,286	1,209	(141)
Net operating result for the year	3,286	1,209	(141)
Net operating result attributable to each council fund	3,286	1,209	(141)
Net operating result for the year before grants and contributions provided for capital purposes	(215)	1,096	(158)

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.

Berrigan Shire Council

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

Note 25. Result by fund (continued)

\$ '000	General ¹ 2020	Water 2020	Sewer 2020
Statement of Financial Position by fund			
ASSETS			
Current assets			
Cash and cash equivalents	(1,692)	7,829	5,108
Investments	21,046	4,000	2,000
Receivables	1,429	221	93
Inventories	149	109	17
Other	51	–	–
Total current assets	20,983	12,159	7,218
Non-current assets			
Infrastructure, property, plant and equipment	208,417	48,412	46,135
Total non-current assets	208,417	48,412	46,135
TOTAL ASSETS	229,400	60,571	53,353
LIABILITIES			
Current liabilities			
Payables	1,970	5	–
Contract liabilities	622	–	–
Borrowings	259	–	–
Provisions	2,702	–	–
Total current liabilities	5,553	5	–
Non-current liabilities			
Borrowings	1,567	–	–
Provisions	688	–	–
Total non-current liabilities	2,255	–	–
TOTAL LIABILITIES	7,808	5	–
Net assets	221,592	60,566	53,353
EQUITY			
Accumulated surplus	85,746	25,865	10,693
Revaluation reserves	135,846	34,701	42,660
Council equity interest	221,592	60,566	53,353
Total equity	221,592	60,566	53,353

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.

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 26(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2020	Indicator 2020	Prior periods		Benchmark
			2019	2018	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	1,281	5.60%	5.60%	18.24%	>0.00%
Total continuing operating revenue excluding capital grants and contributions ¹	22,883				
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ^{1,3}	15,049	56.76%	59.29%	62.79%	>60.00%
Total continuing operating revenue ¹	26,514				
3. Unrestricted current ratio					
Current assets less all external restrictions	15,245	4.33x	6.79x	7.24x	>1.50x
Current liabilities less specific purpose liabilities	3,520				
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	7,763	18.27x	35.08x	48.70x	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	425				
5. Rates, annual charges, interest and extra charges outstanding percentage ³					
Rates, annual and extra charges outstanding ³	570	5.07%	5.84%	3.24%	<10.00%
Rates, annual and extra charges collectible	11,246				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	38,291	27.88 mths	29.33 mths	27.97 mths	>3.00 mths
Monthly payments from cash flow of operating and financing activities	1,374				

(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

(3) These ratios have had the pensioner subsidies removed from the 2018/19 amounts due to changes in the 2019/20 Accounting Code. This change is to ensure comparatives remain consistent.

Berrigan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2020

Note 26(b). Statement of performance measures – by fund

\$ '000	General Indicators ³		Water Indicators		Sewer Indicators		Benchmark
	2020	2019	2020	2019	2020	2019	
1. Operating performance ratio							
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	1.56%	1.04%	26.67%	26.21%	(3.28)%	(3.71)%	>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 ^{1,3}	43.47%	45.33%	97.32%	96.09%	99.24%	99.11%	>60.00%
Total continuing operating revenue ¹							
3. Unrestricted current ratio							
Current assets less all external restrictions	4.33x	6.79x	86.40x	17.06x	∞	∞	>1.50x
Current liabilities less specific purpose liabilities							
4. Debt service cover ratio							
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	13.00x	23.67x	164.09x	1,831.00x	∞	∞	>2.00x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates, annual charges, interest and extra charges outstanding percentage ³							
Rates, annual and extra charges outstanding	3.75%	10.26%	9.83%	0.00%	4.27%	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	20.95 mths	25.06 mths	47.11 mths	38.37 mths	35.79 mths	33.44 mths	>3.00 mths
Payments from cash flow of operating and financing activities							

(1) - (2) Refer to Notes at Note 23a above.

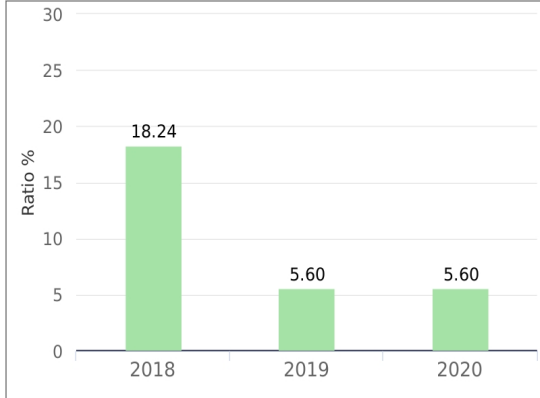
(3) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

Berrigan Shire Council

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

Note 26(c). Statement of performance measures – consolidated results (graphs)

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2019/20 result

2019/20 ratio 5.60%

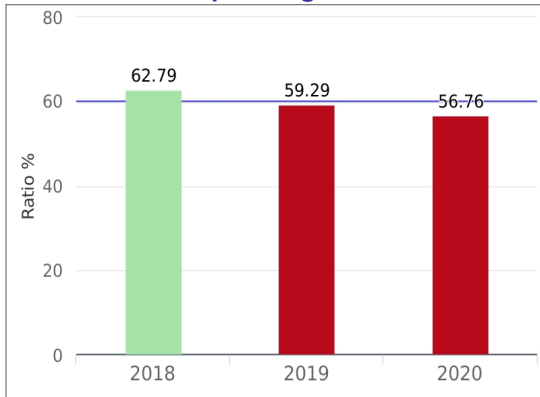
The operating performance ratio remains at 5.6% (2019: 5.60%) due to continued similar expenditure in materials and contracts from co-contribution grant funding.

Benchmark: — > 0.00%

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

Ratio achieves benchmark
Ratio is outside benchmark

2. Own source operating revenue ratio



Purpose of own source operating revenue ratio

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

Commentary on 2019/20 result

2019/20 ratio 56.76%

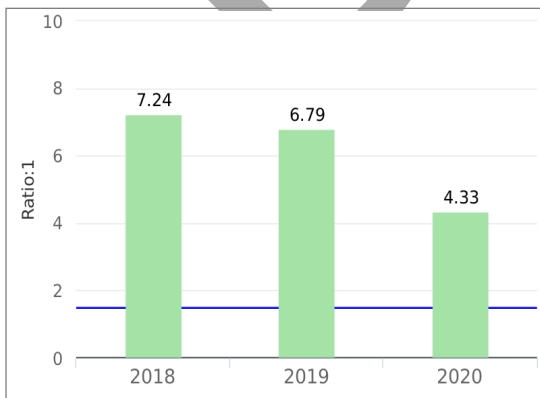
The own source operating revenue ratio decreased to 56.76% (2019: 59.29%) due to the increase in grant funding.

Benchmark: — > 60.00%

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

Ratio achieves benchmark
Ratio is outside benchmark

3. Unrestricted current ratio



Purpose of unrestricted current ratio

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

Commentary on 2019/20 result

2019/20 ratio 4.33x

The unrestricted current ratio has decreased in 2020 due to the increase in externally restricted cash, cash equivalents and investments.

Benchmark: — > 1.50x

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

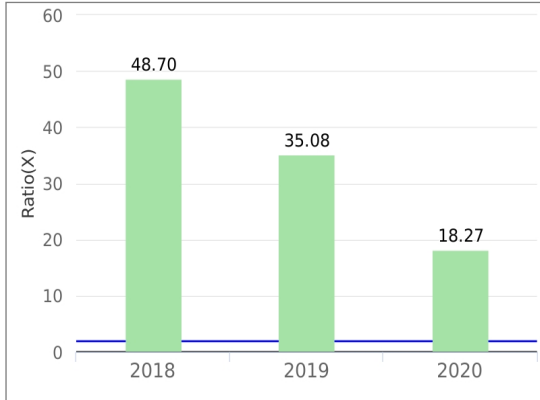
Ratio achieves benchmark
Ratio is outside benchmark

Berrigan Shire Council

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

Note 26(c). Statement of performance measures – consolidated results (graphs)

4. Debt service cover ratio



Purpose of debt service cover ratio

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

Commentary on 2019/20 result

2019/20 ratio 18.27x

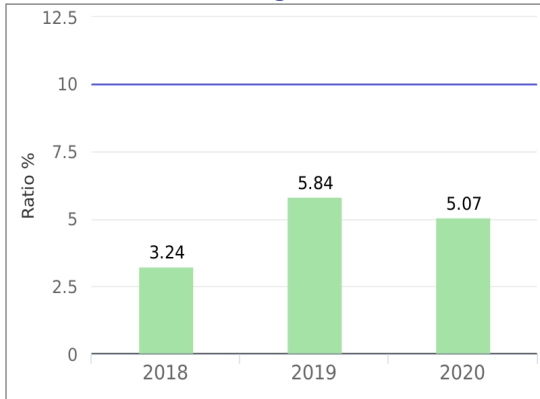
The change in percentage is due to a one off charge to borrowing costs which relates to the unwinding of present value discounts for the provision and remediation of landfills and tips.

Benchmark: — > 2.00x

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

Ratio achieves benchmark
Ratio is outside benchmark

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



Purpose of rates, annual charges, interest and extra charges outstanding

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

Commentary on 2019/20 result

2019/20 ratio 5.07%

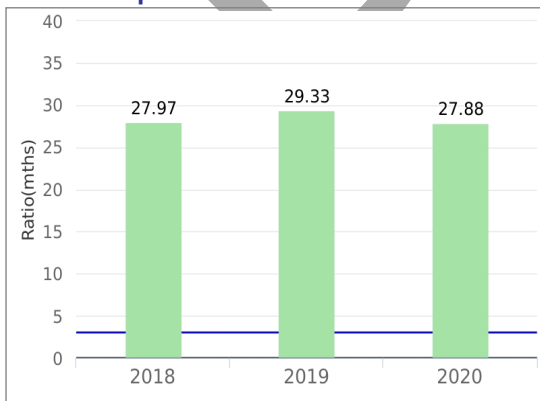
The rates and annual charges outstanding percentage of 5.07% has decreased from the prior year (2019: 5.84%) due to a successful year of collections.

Benchmark: — < 10.00%

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

Ratio achieves benchmark
Ratio is outside benchmark

6. Cash expense cover ratio



Purpose of cash expense cover ratio

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

Commentary on 2019/20 result

2019/20 ratio 27.88 mths

Council's cash expense cover ratio has decreased slightly to 27.88% (2019: 29.33%). However, Council remains in a strong position.

Benchmark: — > 3.00mths

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

Ratio achieves benchmark
Ratio is outside benchmark

General Purpose Financial Statements
for the year ended 30 June 2020

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General Purpose Financial Statements
for the year ended 30 June 2020

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Berrigan Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2020

"Making an even better Berrigan Shire"



Berrigan Shire Council

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).

Berrigan Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2020

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

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

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

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

- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records.
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

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

Signed in accordance with a resolution of Council made on 16 December 2020.

Matthew Hannan
Mayor
16 December 2020

Daryll Morris
Deputy Mayor
16 December 2020

Rowan Perkins
General Manager
16 December 2020

Tahlia Fry
Responsible Accounting Officer
16 December 2020

Berrigan Shire Council

Income Statement – Water Supply Business Activity

for the year ended 30 June 2020

\$ '000	2020	2019
Income from continuing operations		
Access charges	2,028	1,947
User charges	1,199	1,247
Fees	64	82
Interest	102	193
Other income	716	827
Total income from continuing operations	4,109	4,296
Expenses from continuing operations		
Employee benefits and on-costs	481	418
Materials and contracts	1,403	1,619
Depreciation, amortisation and impairment	709	705
Water purchase charges	144	137
Loss on sale of assets	–	44
Other expenses	276	291
Total expenses from continuing operations	3,013	3,214
Surplus (deficit) from continuing operations before capital amounts	1,096	1,082
Grants and contributions provided for capital purposes	113	175
Surplus (deficit) from continuing operations after capital amounts	1,209	1,257
Surplus (deficit) from all operations before tax	1,209	1,257
Less: corporate taxation equivalent (27.5%) [based on result before capital]	(301)	(298)
SURPLUS (DEFICIT) AFTER TAX	908	959
Plus accumulated surplus	24,656	23,399
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	301	298
Closing accumulated surplus	25,865	24,656
Return on capital %	2.3%	3.8%
Subsidy from Council	–	–
Calculation of dividend payable:		
Surplus (deficit) after tax	908	959
Less: capital grants and contributions (excluding developer contributions)	(113)	(175)
Surplus for dividend calculation purposes	795	784
Potential dividend calculated from surplus	397	392

Berrigan Shire Council

Income Statement – Sewerage Business Activity

for the year ended 30 June 2020

\$ '000	2020	2019
Income from continuing operations		
Access charges	2,062	1,979
User charges	12	22
Fees	58	41
Interest	49	152
Other income	44	44
Total income from continuing operations	2,225	2,238
Expenses from continuing operations		
Employee benefits and on-costs	357	312
Materials and contracts	1,032	1,163
Depreciation, amortisation and impairment	660	673
Loss on sale of assets	85	–
Calculated taxation equivalents	12	13
Other expenses	249	177
Total expenses from continuing operations	2,395	2,338
Surplus (deficit) from continuing operations before capital amounts	(170)	(100)
Grants and contributions provided for capital purposes	17	20
Surplus (deficit) from continuing operations after capital amounts	(153)	(80)
Surplus (deficit) from all operations before tax	(153)	(80)
SURPLUS (DEFICIT) AFTER TAX	(153)	(80)
Plus accumulated surplus	10,834	10,914
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	12	13
Less:		
– Tax equivalent dividend paid	–	(13)
Closing accumulated surplus	10,693	10,834
Return on capital %	(0.4)%	(0.5)%
Subsidy from Council	576	368
Calculation of dividend payable:		
Surplus (deficit) after tax	(153)	(80)
Less: capital grants and contributions (excluding developer contributions)	(17)	(20)
Surplus for dividend calculation purposes	–	–
Potential dividend calculated from surplus	–	–

Berrigan Shire Council

Statement of Financial Position – Water Supply Business Activity

as at 30 June 2020

\$ '000	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	7,829	4,135
Investments	4,000	6,000
Receivables	221	210
Inventories	109	63
Total current assets	12,159	10,408
Non-current assets		
Infrastructure, property, plant and equipment	48,412	28,653
Total non-current assets	48,412	28,653
TOTAL ASSETS	60,571	39,061
LIABILITIES		
Current liabilities		
Payables	5	16
Total current liabilities	5	16
TOTAL LIABILITIES	5	16
NET ASSETS	60,566	39,045
EQUITY		
Accumulated surplus	25,865	24,656
Revaluation reserves	34,701	14,389
TOTAL EQUITY	60,566	39,045

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Berrigan Shire Council

Statement of Financial Position – Sewerage Business Activity

as at 30 June 2020

\$ '000	2020	2019
ASSETS		
Current assets		
Cash and cash equivalents	5,108	2,516
Investments	2,000	4,000
Receivables	93	109
Inventories	17	4
Total current assets	7,218	6,629
Non-current assets		
Infrastructure, property, plant and equipment	46,135	20,300
Total non-current assets	46,135	20,300
TOTAL ASSETS	53,353	26,929
NET ASSETS	53,353	26,929
EQUITY		
Accumulated surplus	10,693	10,834
Revaluation reserves	42,660	16,095
TOTAL EQUITY	53,353	26,929

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Berrigan Shire Council

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)

NIL

Category 2

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

a. Berrigan Shire Council Water Supply

Supply drinking quality water to the towns of Barooga, Berrigan, Finley and Tocumwal

b. Berrigan Shire Council Sewerage Service

Supply of a reticulated sewerage service to the towns of Barooga, Berrigan, Finley and Tocumwal.

Berrigan Shire Council

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2020

Note 1. Significant Accounting Policies (continued)

Monetary amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest thousand dollars, except for Note 2 (Water Supply Best-Practice Management Disclosures) and Note 3 (Sewerage Best-Practice Management Disclosures). As required by Crown Lands and Water (CLAW), the amounts shown in Note 2 and Note 3 are disclosed in whole dollars.

(i) Taxation-equivalent charges

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

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

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

Notional rate applied (%)

Corporate income tax rate – 27.5%

Land tax – the first \$692,000 of combined land values attracts 0%. For the combined land values in excess of \$692,001 up to \$4,231,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$4,231,000 a premium marginal rate of 2.0% applies.

Payroll tax – the business activities do not reach the threshold for payroll tax to apply.

The payment of taxation equivalent charges, referred to in the NSW Office of Water Guidelines to 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 NSW Office of Water Guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 27.5%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations - it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in the SPFS.

The rate applied of 27.5% is/is not the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

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.

Berrigan Shire Council

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.

Special Purpose Financial Statements
for the year ended 30 June 2020

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DRAFT

Berrigan Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2020

"Making an even better Berrigan Shire"



Berrigan Shire Council

Special Schedules

for the year ended 30 June 2020

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DRAFT

Berrigan Shire Council

Permissible income for general rates

\$ '000	Notes	Calculation 2020/21	Calculation 2019/20
Notional general income calculation ¹			
Last year notional general income yield	a	5,302	5,135
Plus or minus adjustments ²	b	12	22
Notional general income	c = a + b	5,314	5,157
Permissible income calculation			
Or rate peg percentage	e	2.60%	2.70%
Or plus rate peg amount	i = e x (c + g)	138	139
Sub-total	k = (c + g + h + i + j)	5,452	5,296
Plus (or minus) last year's carry forward total	l	(6)	—
Sub-total	n = (l + m)	(6)	—
Total permissible income	o = k + n	5,446	5,296
Less notional general income yield	p	5,451	5,302
Catch-up or (excess) result	q = o - p	(5)	(6)
Carry forward to next year ⁶	t = q + r + s	(5)	(6)

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.

Berrigan Shire Council

Report on Infrastructure Assets

as at 30 June 2020

Asset Class	Asset Category	Estimated cost to bring assets to satisfactory standard \$ '000	Estimated cost to bring to the agreed level of service set by Council \$ '000	2019/20 Required maintenance ^a \$ '000	2019/20 Actual maintenance \$ '000	Net carrying amount \$ '000	Gross replacement cost (GRC) \$ '000	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
(a) Report on Infrastructure Assets - Values												
Buildings	Buildings – non-specialised	–	–	5	5	672	677	38.0%	62.0%	0.0%	0.0%	0.0%
	Buildings – specialised	–	–	170	490	31,652	45,130	60.0%	25.0%	13.0%	2.0%	0.0%
	Sub-total	–	–	175	495	32,324	45,807	59.7%	25.5%	12.8%	2.0%	0.0%
Roads	Sealed roads	–	–	1,125	1,143	83,747	117,286	89.0%	9.0%	1.0%	1.0%	0.0%
	Unsealed roads	–	–	560	629	30,304	42,439	80.0%	15.0%	4.0%	1.0%	0.0%
	Bridges	–	–	18	–	3,308	7,970	0.0%	100.0%	0.0%	0.0%	0.0%
	Footpaths	–	–	19	16	3,495	4,781	74.0%	12.0%	12.0%	2.0%	0.0%
	Bulk earthworks	–	–	–	–	3,431	3,431	100.0%	0.0%	0.0%	0.0%	0.0%
	Sub-total	–	–	1,722	1,788	124,285	175,907	82.6%	14.5%	2.0%	1.0%	0.0%
Water supply network	Water supply network	–	–	1,675	1,571	45,663	62,652	14.0%	60.0%	16.0%	10.0%	0.0%
	Sub-total	–	–	1,675	1,571	45,663	62,652	14.0%	60.0%	16.0%	10.0%	0.0%
Sewerage network	Sewerage network	–	–	1,110	1,084	44,923	62,024	10.0%	83.0%	7.0%	0.0%	0.0%
	Sub-total	–	–	1,110	1,084	44,923	62,024	10.0%	83.0%	7.0%	0.0%	0.0%
Stormwater drainage	Stormwater drainage	–	–	145	108	18,265	23,379	40.0%	60.0%	0.0%	0.0%	0.0%
	Sub-total	–	–	145	108	18,265	23,379	40.0%	60.0%	0.0%	0.0%	0.0%
Open space / recreational assets	Swimming pools	–	–	20	9	1,970	3,295	13.0%	83.0%	4.0%	0.0%	0.0%
	Other	–	–	395	412	7,227	10,125	25.0%	66.0%	9.0%	0.0%	0.0%
	Sub-total	–	–	415	421	9,197	13,420	22.1%	70.2%	7.8%	0.0%	0.0%
TOTAL - ALL ASSETS		–	–	5,242	5,467	274,657	383,189	52.2%	39.1%	6.5%	2.3%	0.0%

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

Infrastructure asset condition assessment 'key'

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

Berrigan Shire Council

Report on Infrastructure Assets (continued)

as at 30 June 2020

\$ '000	Amounts	Indicator	Prior periods		Benchmark
	2020	2020	2019	2018	
Infrastructure asset performance indicators (consolidated) *					
Buildings and infrastructure renewals ratio ¹					
Asset renewals ²	7,739	149.43%	154.79%	131.39%	>=100.00%
Depreciation, amortisation and impairment	5,179				
Infrastructure backlog ratio ¹					
Estimated cost to bring assets to a satisfactory standard	-	0.00%	0.00%	0.00%	<2.00%
Net carrying amount of infrastructure assets	274,657				
Asset maintenance ratio					
Actual asset maintenance	5,467	104.29%	119.12%	103.90%	>100.00%
Required asset maintenance	5,242				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	-	0.00%	0.00%	0.00%	
Gross replacement cost	383,189				

(*) All asset performance indicators are calculated using classes identified in the previous table.

(1) Excludes Work In Progress (WIP)

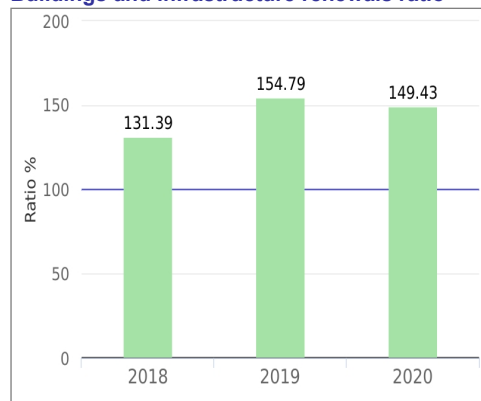
(2) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Berrigan Shire Council

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	149.43%
Council continues to invest in building and infrastructure renewal.	

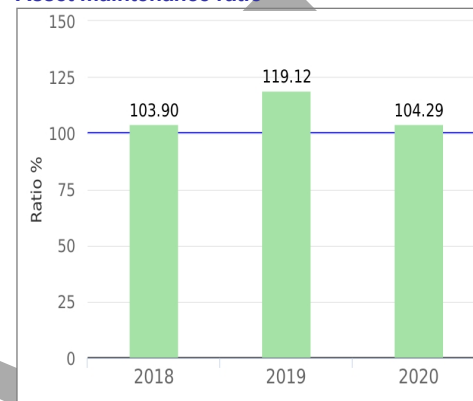
Benchmark: — $\geq 100.00\%$

Ratio achieves benchmark

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

Ratio is outside benchmark

Asset maintenance ratio



Asset maintenance ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

Commentary on result	
19/20 ratio	104.29%
Council continues to maintain its assets.	

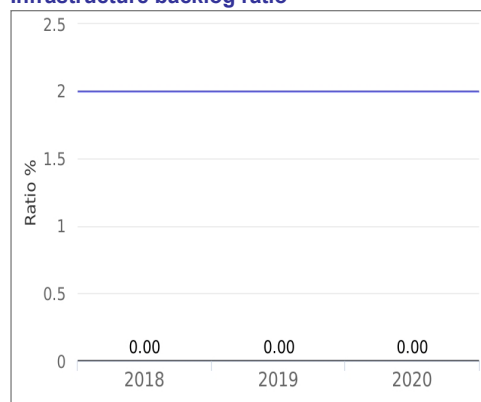
Benchmark: — $> 100.00\%$

Ratio achieves benchmark

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

Ratio is outside benchmark

Infrastructure backlog ratio



Infrastructure backlog ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Commentary on result	
19/20 ratio	0.00%
Council has no unfunded infrastructure.	

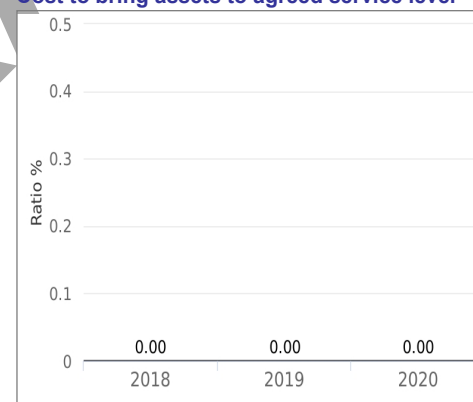
Benchmark: — $< 2.00\%$

Ratio achieves benchmark

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

Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

Commentary on result	
19/20 ratio	0.00%
All service levels are maintained.	

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	149.15%	193.88%	210.67%	30.79%	82.65%	2.72%	>=100.00%
Infrastructure backlog ratio ¹							
Estimated cost to bring assets to a satisfactory standard							
Net carrying amount of infrastructure assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	<2.00%
Asset maintenance ratio							
Actual asset maintenance							
Required asset maintenance	114.45%	105.05%	93.79%	137.97%	97.66%	124.92%	>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	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	

(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.

(Letterhead of Council)

Michael Kharzoo
 Director, Financial Audit
 Audit Office of New South Wales
 GPO Box 12
 SYDNEY NSW 2001

16 December 2020

Representation Letter
Berrigan Shire Council

We provide this Representation Letter in connection with your audit of the financial statements of Berrigan Shire Council (the Council) for the year ended 30 June 2020, so you can express an opinion on whether the general purpose financial statements of the Council give a true and fair view in accordance with:

- the *Local Government Act 1993* (the LG Act)
- the Australian Accounting Standards
- the Local Government Code of Accounting Practice and Financial Reporting – update number 28 (the Code).

This Representation Letter is also provided in connection with your audit of the following engagements:

Engagement	Nature of the Opinion
Special purpose financial statements (SPFS) for Declared Business Activities for the year ended 30 June 2020.	Whether the SPFS are prepared in accordance with the Code.
Special Schedule – Permissible income for general rates (the Schedule) for the year ended 30 June 2020.	Whether the Schedule has been prepared in accordance with the Code.

We confirm, to the best of our knowledge and belief, having made the enquiries we considered necessary to appropriately inform ourselves, the following representations made to you during your audit.

ACCOUNTING RECORDS AND TRANSACTIONS

We have given you:

- all financial records and related data, other information, explanations and help necessary to conduct the audit
- information on all government financial assistance received by the Council due to the impact of COVID-19
- information on all council fees that have been reduced or waived due to the impact of COVID-19
- information on rent holidays or concessions granted to lessees of council property due to COVID-19
- information on rent holidays or concessions received by the council as lessee due to COVID-19
- minutes of all meetings (e.g. Council, Audit, Risk and Improvement Committee or other council and management meetings)
- all legal issues and legal opinions that may be relevant to the general purpose financial statements, special purpose financial statements and the Schedule
- information about all deficiencies in internal control of which we are aware
- information about all changes in procedures and controls arising as a result of the COVID-19 pandemic
- all relevant information on the impact of COVID-19 on the Council
- additional information you have requested from us for the audit
- unrestricted access to all people in the Council from whom you determined it necessary to obtain audit evidence from.

All transactions have been recorded in the accounting records and are reflected in the general and special purpose financial statements, including all 'off-balance sheet' agreements or instruments. We confirm the Schedule is complete, valid and includes only relevant transactions.

We have examined all actions taken by the Council in response to COVID-19, and ensured that these are appropriately reflected in the general and special purpose financial statements and Schedule.

For financial records and related data provided electronically to the audit team, we confirm:

- the information has been obtained directly from our accounting systems, and is complete and unaltered
- scanned information is complete and unaltered from the original source document
- we have put processes and controls in place to ensure that information that has been converted in a form that can be provided remotely (such as email) is complete and accurate.

COMPLIANCE WITH LEGISLATION AND OTHER REQUIREMENTS

We have reviewed legislation we are required to comply with, contracts, agreements and licensing conditions to detect breaches or possible breaches which may impact the general and special purpose financial statements and the Schedule.

We have no knowledge of any breaches or possible breaches of legislation, contracts, agreements or licensing conditions, the effects of which should be considered when preparing the general and special purpose financial statements and the Schedule.

With respect to our operations during the year, we have complied with all:

- cabinet and other government directives including Ministerial orders issued under the LG Act
- Office of Local Government (OLG) within the Department of Planning, Industry and Environment guidelines, circulars and financial reporting requirements
- contractual agreements where non-compliance could materially affect the general and special purpose financial statement and the Schedule
- directions, regulation and requirements imposed by relevant regulatory bodies.

There has been no communication to/from regulatory authorities or OLG concerning:

- breaches of or non-compliance with legislation, licensing conditions or other requirements
- deficiencies in financial reporting practices that could have a material effect on the general and special purpose financial statements and the Schedule.

We considered the substance of those communications when preparing the general and special purpose financial statements and the Schedule.

We have notified you of:

- the existence of all entities approved by the Minister under Section 358 of the LG Act
- the existence of all council entities as defined under Section 415 of the LG Act
- all transactions or arrangements capable of being regarded as 'private sector funded infrastructure', or outsourcings of significant areas of activity
- all Ministerial orders issued under the LG Act.

All operations and activities undertaken are specifically allowed by the LG Act enabling proclamation.

We have notified you of all:

- new programs that the Council has or will implement as a result of COVID-19
- existing Council operations or programs that will permanently cease as a result of COVID-19.

INTERNAL CONTROLS

We have established and maintained adequate internal controls to:

- prepare reliable general and special purpose financial statements and the Schedule
- maintain adequate financial records
- apply appropriate accounting policies
- record all material transactions in accounting records underlying the general and special purpose financial statements and the Schedule
- ensure there is appropriate oversight of emergency procurement and new suppliers added to the supplier masterfile
- minimise the risk electronic signatures are inappropriately applied
- ensure security settings for remote connections and secure individual access mechanisms are in place and operating effectively
- monitor and detect unauthorised computer access to the network
- appropriately manage new programs implemented as a result of COVID-19
- provide oversight of staff working remotely
- minimise the theft of Council assets
- minimise the risk of fraud and errors
- detect fraud and errors should they occur
- minimise the risk of significant breaches of legislation and other mandatory requirements and detect breaches if they occur.

We have disclosed to you all known deficiencies in internal controls and their potential impact on the financial statements presented by the Council.

FRAUD AND ERROR

We acknowledge our responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud and error.

We have disclosed to you our assessment of the risk the general and special purpose financial statements and the Schedule may be materially misstated because of fraud.

We have no knowledge of any fraud or suspected fraud affecting the Council involving:

- management
- employees who have significant roles in internal control
- others where the fraud could materially affect the general and special purpose financial statements and the Schedule.

We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Council's general and special purpose financial statements and the Schedule communicated to us by employees, former employees, analysts, regulators or others.

Fraud includes misstatements resulting from fraudulent financial reporting and misstatements resulting from the misappropriation of assets.

We have disclosed to you our knowledge of all allegations of fraud or suspected fraud affecting the Council's general and special purpose financial statements and the Schedule communicated to us by employees, former employees, analysts, regulators or others.

The principal officer of the Council has reported any known or suspected fraud to the Independent Commission Against Corruption as required by section 11(2) of the *Independent Commission Against Corruption Act 1988*.

INTERNAL AUDIT

We operate an effective internal audit function and management promptly acts upon recommendations for improvement and rectifies reported shortcomings.

We have appropriate internal audit and risk management systems, which satisfy the requirements of OLG's 'Internal Audit Guidelines' (Guidelines). In particular, we have:

- ensured the General Manager is ultimately responsible and accountable for Council's risk management
- established and maintained a risk management framework that is appropriate to the Council
- established and maintained an internal audit function that reports functionally to the Audit, Risk and Improvement Committee and administratively to the General Manager
- ensured the operation of the internal audit function is consistent with the 'Institute of Internal Auditors (IIA) Standards and the IIA Code of Ethics for performance standards, practices and guidelines'
- established an Audit, Risk and Improvement Committee with a majority of independent members and an independent chair
- ensured the Audit, Risk and Improvement Committee operates as an advisory committee that assists the General Manager review aspects of the Council's operations listed in the LG Act
- ensured the Audit, Risk and Improvement Committee has a charter consistent with the 'sample internal audit charter' in the Guidelines.

We have disclosed to you instances where we:

- have not satisfied the requirements of the Guidelines
- believe non-compliance with the requirements of the Guidelines may have caused the internal audit function to be ineffective for all or part of the reporting period.

LITIGATION AND CLAIMS

We confirm all known actual or possible litigation and claims that should be considered when preparing the general and special purpose financial statements, and the Schedule, have been disclosed to you. The effects of these events have been accounted for and disclosed in accordance with the applicable financial reporting framework.

We have provided to you all information regarding material outstanding legal matters.

SERVICE ORGANISATIONS

We have:

- no knowledge of any fraud, non-compliance with legislation or uncorrected misstatements attributable to the service organisation's management or employees that materially affect the general and special purpose financial statements and the Schedule
- advised you of the impact of COVID-19 on our shared service arrangements including the impact on our service organisations.

GENERAL PURPOSE FINANCIAL STATEMENTS AND SPECIAL PURPOSE FINANCIAL STATEMENTS FOR DECLARED BUSINESS ACTIVITIES

We acknowledge our responsibility for keeping proper accounts and records, and preparing the general purpose and special purpose financial statements (the financial statements).

General Purpose Financial Statements

We approved the general purpose financial statements for the Council on 16 December 2020 and confirm they are free of material misstatements, including omissions.

We believe, in all material respects, the general purpose financial statements present a view that is consistent with our understanding of the Council's financial position as at 30 June 2020, and its financial performance for the year then ended.

We have fulfilled our responsibilities, as set out in the Annual Engagement Plan dated 3 March 2020 and the [Terms of Engagement](#), for preparing the general purpose financial statements in accordance with Australian Accounting Standards, the LG Act, the Code.

We confirm the financial statements are fairly presented in accordance with these requirements.

We confirm there have been no deficiencies in financial reporting practices and changes to accounting policies, including voluntary changes not arising from the initial adoption of an Accounting Standard or an OLG / Department mandate, are properly disclosed in the financial statements.

Special Purpose Financial Statement for Declared Business Activities

We approved the special purpose financial statements for Council's Declared Business Activities listed below on 16 December 2020 and confirm they are free of material misstatements.

The Declared Business Activities of the Council are:

- Water supply; and
- Sewerage

We believe, in all material respects, the special purpose financial statements present a view that is consistent with our understanding of Council's Declared Business Activities for the year then ended.

We have fulfilled our responsibilities, as set out in the Annual Engagement Plan dated 3 March 2020 and the [Terms of Engagement](#), for preparing the Council's special purpose financial statements in accordance with the requirements of OLG / the Department, the LG Act, the Code.

Classification of assets and liabilities

We have no plans or intentions that may materially affect the carrying values or classification of assets or liabilities.

For-profit/not-for-profit classification

We have considered all aspects in evaluating whether Council's controlled or jointly controlled entities are 'For-Profit' or 'Not-For-Profit'. Our classification is supported by consideration of:

- statements about the entity's objectives, such as those contained in governing documents, entity constitutions and shareholder resolutions
- the entity's governance framework, i.e. the corporate structure
- the entity's targeted financial performance, as agreed between the entity and the Council, focusing on the extent to which the Council funds its expenses, maintains its asset base and provides returns.

Impairment of trade and lease receivables and contract assets

We have reviewed the Council's methodology for determining expected credit losses for trade and lease receivables, and contract assets and we confirm:

- the impairment estimate is based on the best available information about past events, current conditions and forecasts of economic conditions at the reporting date
- the impairment of trade and lease receivables, and contract assets is sufficient to cover the expected credit losses from possible default events
- the financial statements appropriately disclose the judgements, assumptions and estimation uncertainty for determining expected credit losses for trade and lease receivables, and contract assets
- we have written off all debts where we have no reasonable prospects of recovering any further cashflows.

Inventories

The Council has no obsolete or excess inventory. Inventory is stated at an amount that does not exceed the lower of cost or net realisable value.

We have no plans to abandon product lines or other plans or intentions that will result in excess or obsolete inventory.

Other current assets

We expect to realise all other current assets for at least the amounts they are stated at in the financial statements.

Non-current assets

The Council has satisfactory title of all assets. There are no liens or encumbrances on assets, nor has any asset been pledged as collateral.

We depreciate physical assets and amortise intangibles on a systematic basis over their useful lives. Useful lives are adjusted for all material items of infrastructure, property, plant and equipment and intangibles such as software, that are or are becoming technically, functionally or commercially obsolete, or have been abandoned or are otherwise unusable.

We have:

- reviewed depreciation and amortisation rates against estimated asset usage and useful lives considering the impact of COVID-19
- recognised and disclosed in the financial statements the most recent assessment of the useful lives
- provided you with the basis of all relevant assumptions in depreciation models.

We have considered the impact of COVID-19 on the carrying amount of each physical non-current asset and we confirm that at the end of the reporting period:

- the carrying value of each physical non-current asset does not materially differ from its fair value
- significant fair value assumptions, including those with high estimation uncertainty, are reasonable
- the financial statements appropriately disclose the judgements, assumptions and estimation uncertainty in determining the fair value of non-current assets.

When conducting our annual assessment of the impairment of assets, including intangibles, right of use assets and cash generating units (CGUs), we confirm:

- the requirements of AASB 136 'Impairment of Assets' have been considered
- the impact of COVID-19 have been considered
- where recoverable amount has been calculated using discounted cash flows, the assumptions and discount rates used reflect current market conditions
- no asset or CGU's carrying amount exceeds its recoverable amount.

We have communicated to you all indicators of impairment and where these exist we have conducted an appropriate impairment assessment of the relevant asset or CGU.

Liabilities

We have recognised all liabilities including those arising under derivative financial instruments in the financial statements.

Provisions, contingent assets and contingent liabilities

We have properly recorded and/or disclosed in the financial statements:

- arrangements involving restrictions on cash balances, compensating balances and line-of-credit or similar arrangements
- agreements or options to repurchase assets previously sold
- material or contingent liabilities or assets including those arising under derivative financial instruments
- insurance recoveries as a result of COVID-19
- our obligations to make good, restore, rehabilitate and reinstate the Council's tip and quarry.

Post-employment benefits

All post-employment benefits have been identified and properly accounted for and all events impacting the post-employment benefit plans have been brought to the actuary's attention.

For defined benefit plans:

- the actuarial assumptions underlying the valuation of the plan:
 - accord with the Local Government Superannuation Scheme best estimate of future events and are consistent with our knowledge of the business
 - have been updated to reflect the current economic conditions
- the actuary's calculations have been based on complete and up-to-date member information
- the amounts included in the financial statements derive from the work of the actuary are in accordance with the requirements of AASB 119 'Employee Benefits'
- the financial statements disclose the significant changes to assumptions and estimates including any estimation uncertainty in the assumptions used.

Commitments

We have properly recorded and/or disclosed losses arising from the fulfilment of, or inability to fulfil any sale, purchase or lease commitment in the financial statements.

We have disclosed all material commitments for construction or acquisition of property, plant and equipment, and purchases of other non-current assets, such as investments or intangibles, in the financial statements.

Contracts

We have reviewed our contracts for the impact of COVID-19 to assess:

- the impact of force majeure provisions
- whether any contracts have become onerous and requiring a provision to be recognised in the financial statements
- the impact of contract renegotiations or modifications on the financial statements.

We confirm:

- where a contract is onerous, a provision has been recognised in the financial statements
- any contract modifications have been reflected in the financial statements in accordance with the relevant accounting standard.

Taxation

We have calculated the taxation equivalent charges in the SPFS of Declared Business Activities according to the requirements in the OLG Guidelines 'Pricing and costing for Council Businesses: A Guide to Competitive Neutrality and the NSW Office of Water 'Best Practice Management of Water Supply and Sewerage Guidelines'.

We have calculated and recognised all other applicable taxes according to relevant tax legislation.

Related Party Transactions

We have appropriately accounted for and disclosed related party relationships and transactions, in accordance with the requirements of Australian Accounting Standards and confirm that:

- material related party transactions and their related balances, including receivables, payables, sales, purchases, loans, transfers, leases, commitments, indemnities and guarantees (written or oral) have been properly recorded and disclosed in the financial statements
- we have identified Council's key management personnel (KMP) and, where appropriate, disclosed all compensation paid or payable (including non-monetary compensation) to them for the period.

We have disclosed to you the identity of Council's related parties as defined in AASB 124 'Related Party Disclosures'. These include the Council's KMP and their related parties, including their close family members and their controlled and jointly controlled entities.

We have disclosed to you the relationships, transactions and balances between KMPs and their related parties and the Council of which we are aware that may be either qualitatively or quantitatively material.

We have made available to you details and records of:

- agreements or transactions between KMP and their related parties and the Council
- equity interests or directorships held by KMP and their related parties in other entities, which are party to any agreements or transactions with Council
- external accounting or legal advice received on these agreements, transactions or interests.

Environmental issues

We have considered whether environmental matters could materially impact the financial statements and conclude we are not aware of:

- any material liabilities or contingencies arising from environmental matters, including those resulting from illegal or possibly illegal acts
- environmental matters that may result in material impairment of assets.

Where we are aware of matters referred to in the points above, we have disclosed all related facts to you.

Uncorrected accounting misstatements

We acknowledge the attached schedule of uncorrected misstatements has been brought to our attention and we have considered the impact on the financial statements. We conclude the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole.

We have also considered the impact of uncorrected misstatements from previous periods and conclude the aggregate of these is immaterial to the previous and current financial statements.

Prior period errors identified in the current year

We have advised you of and adjusted the financial statements for all material misstatements identified from previous periods.

Native title land claims

We are not aware of any native title land claims that may materially impact the financial statements.

Insurance

We have established procedures to assess the adequacy of insurance cover on all assets and insurable risks. We believe, where appropriate, assets and insurable risks including the impact of COVID-19, are adequately covered by insurance.

Accounting estimates

We confirm the methods, data, and significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

We confirm the disclosures related to accounting estimates are complete and appropriate.

Fair value measurements and disclosures

Where assets and liabilities are recorded at fair value, the value attributed to these assets and liabilities is, in the opinion of the Council, the fair value.

We confirm the significant assumptions used in fair value measurements and disclosures are reasonable and appropriately reflect our intent and ability to carry out specific courses of action on behalf of the Council.

We confirm the measurement methods, including related assumptions, used by management in determining fair values within the applicable financial reporting framework are appropriate and have been consistently applied. We have considered:

- possible credit value adjustments and debit value adjustments for the credit risk of counterparties
- the impact of the current economic conditions and the impact of COVID-19
- non-performance risk including, but not limited to the Council's own credit risk
- the impact of embedded derivatives.

We confirm the fair value disclosures in the financial statements are complete, appropriate and disclose details of estimation uncertainties.

Going concern

We have considered the impact of COVID-19 on the Council and confirm the going concern basis is appropriate for the financial statements.

We have given you our plans for future action, including our assessment of the feasibility of these plans.

After balance date events

All events occurring between the end of the reporting period and the date of this letter and for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed in the financial statements.

Electronic presentation of the audited financial statements and audit report

With respect to publication of the financial statements on our website, we:

- acknowledge we are responsible for the electronic presentation of the financial statements on our website
- will ensure the electronic version of the audited financial statements and the Independent Auditor's Report on our website are identical to the final signed hard copy of the audited financial statements and the Independent Auditor's Report
- will clearly differentiate between audited and unaudited information in the construction of our website as we understand the risk of potential misrepresentation between unaudited and audited information in the absence of appropriate controls
- have assessed the controls over the security and integrity of the data on our website and adequate procedures are in place to ensure the integrity of the published information
- will ensure that where the Independent Auditor's Report is published on our website, the related financial statements are also published in full.
- we have complied with the requirements of the *Corporations Act 2001* with respect to the electronic presentation of the audited financial statements, where applicable.

Subsidiaries

We have obtained all necessary information from subsidiaries, including those not applying Australian Accounting Standards and have made appropriate adjustments to the information to enable the preparation of the financial statements.

Impairment of financial assets

We have recognised an allowance for all expected credit losses (ECLs) for all debt financial assets not held for though profit or loss (FVPL).

At the reporting date we have recognised a loss allowance based on:

- 12-month ECL for debt financial assets not held at FVPL (other than non-rates and annual charges) where there has been no significant increase in credit risk since initial recognition
- lifetime ECL for non-rates and annual charges, and other debt financial instruments not held at FVPL where there has been a significant increase in credit risk since initial recognition.

We confirm:

- the impairment estimate is based on the best available information about past events, current conditions and forecasts of economic conditions at the reporting date
- the impairment is sufficient to cover the ECLs from possible default events
- the financial statements appropriately disclose the judgements, assumptions and estimation uncertainty for determining ECLs

- we have written off all debts where we have no reasonable prospects of recovering any further cashflows.

Financial instruments

We have provided you with:

- appropriate explanations for all reclassifications of financial instruments during the year, in accordance with the requirements of Australian Accounting Standards
- details of any changes in the Council's business model for financial assets under AASB 9 'Financial Instruments'
- all financial guarantees issued by the Council.

Other

We understand your examination of the financial statements was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the financial statements of the Council taken as a whole, and your tests of the financial records and other auditing procedures were limited to those you considered necessary for that purpose.

SPECIAL SCHEDULE – PERMISSIBLE INCOME FOR GENERAL RATES

We acknowledge our responsibility for:

- keeping proper accounts and records, and preparing Special Schedule – Permissible income for general rates (the Schedule)
- ensuring the Schedule is prepared in accordance with the Code and in accordance with the books and records of the Council.

We approved the Schedule on 16 December 2020 and confirm it is free of material misstatements.

General

We believe, in all material respects, the Schedule presents a view that is consistent with our understanding of operations for the year ended 30 June 2020.

We have fulfilled our responsibilities, as set out in the Annual Engagement Plan dated 3 March 2020 and the [Terms of Engagement](#), for preparing the Schedule in accordance with the Code and in accordance with the books and records of the Council. The Schedule is in all material respects prepared in accordance with these requirements.

We confirm:

- there have been no deficiencies in financial reporting practices
- all transactions have been recorded in the accounting records
- the Schedule is complete, valid and only includes the transactions required by the Code
- the Schedule reflects the impact of COVID-19.

Uncorrected accounting misstatements

We acknowledge the attached schedule of uncorrected misstatements has been brought to our attention and we have considered the impact on the Schedule. We conclude the effects of the uncorrected misstatements are immaterial, both individually and in aggregate, to the Schedule.

After balance date events

No events have occurred between the end of the reporting period and the date of this letter that require adjustment to, or disclosure in, the Schedule.

Other

We understand your examination of the Schedule was made in accordance with Australian Auditing Standards and was, therefore, designed primarily for the purpose of expressing an opinion on the Schedule, and your tests of the financial records and other auditing procedures were limited to those you considered necessary for that purpose.

ACCOUNTING FOR INTERESTS IN OTHER ENTITIES

Accounting for controlled entities

We have disclosed to you our assessment of control for all entities in which we have an equity or other interest. The assessment was conducted in accordance with Australian Accounting Standards.

Accounting for investments in joint arrangements

We have made available to you details and records of all ownership interests held in joint arrangements.

Accounting for investments in associates

We have made available to you details and records relating to the existence and ownership of all equity interests held in associates (i.e. all entities over which Council has significant influence).

OTHER

Other Information included in Council's annual report

We have informed you of all documents we expect to issue that may comprise 'other information' (financial and non-financial, excluding the financial statements and auditor's report) in our annual report.

We will provide you with other information to be included in our annual report when available so you can perform the procedures required by Australian Auditing Standards before its issue.

Matthew Hansen – Director Corporate Services

Tahlia Fry – Finance Manager

APPENDIX ONE – GENERAL PURPOSE FINANCIAL STATEMENTS

Table one: Uncorrected monetary misstatements and disclosure deficiencies

Uncorrected monetary misstatements

Management believes the effect of not correcting these misstatements is immaterial, individually and in aggregate, to the GPFS as a whole.

Description	Assets	Liabilities	Retained earnings / equity	Comprehensive income
Effect of potential correction	Increase/ (decrease)	(Increase)/ decrease	(Increase)/ decrease	(Increase)/ decrease
	\$'000	\$'000	\$'000	\$'000
Factual misstatements				
TBC				
Subtotal				
Judgemental misstatements				
Recognition of Rural Fire Service assets not recorded ('red fleet' assets and plant & equipment) *				
Depreciation expense on Rural Fire Services Assets*				
Total impact if misstatements were corrected				

* Council have not recognised rural fire-fighting equipment as they do not believe they have control over these assets.

Uncorrected disclosure deficiencies

Management believes the effect of not correcting these deficiencies is immaterial to the GPFS as a whole.

AASB reference	Disclosure title	Description of disclosure deficiency
AASB XX	XXX	XXX

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Appendix 7.6-A



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About us

Consisting predominantly of irrigated rural land the Berrigan Shire is in the southern Riverina. Agriculture, transport and tourism form the basis of its income. The Berrigan Shire is located to the north of the Murray River half way between Albury and Echuca less than a three-hour drive from Melbourne.

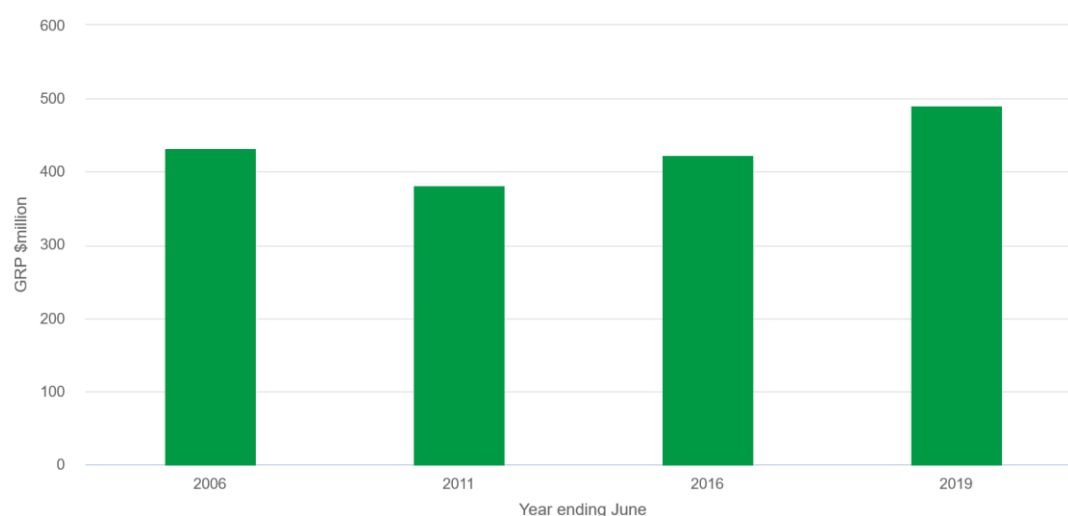
Our Council boundaries encompass the towns of Barooga, Berrigan, Finley and Tocumwal, offering residents and visitors a range of first-class recreation, lifestyle, health and education facilities.

Fast Facts

Gazetted as a Shire:	1906
Forecast Population 2020:	8,863
Number of Councillors:	8
Length of our roads:	1,316 km

Gross Regional Product

Berrigan (A)



Source: National Institute of Economic and Industry Research (NIEIR) ©2019 Compiled and presented in economy.id by .id the population experts

.id the
population
experts
Highcharts.com



Our Vision

In 2027 we will be recognised as a Shire that builds on and promotes our natural assets and advantages to create employment and economic activity to attract residents, families and tourists.

Developed at the Shire's Futures Conference (June 2011) and reviewed by the Council in 2016 our vision reflects the top 'preferred futures' of our communities that:

4. Families with young children will want to live in or come to the area.
5. People will be more concerned about their health and wellbeing.
6. Tourists will go out of their way to come to the area.

The message from our communities in 2011 and in 2016 remains that our communities value the Shire's natural assets and advantages

- Lifestyle
- The Murray River
- Irrigated Agriculture; and
- Tourism

Berrigan Shire 2027 is our Community Strategic Plan and the achievement of its Vision and priorities, is a collaboration requiring the involvement of our communities, individuals, local businesses, and Council. A collaboration requiring also engagement and partnership with other levels of government and the non-government service providers that outreach to and provide services in our towns.





Mayor

To the general manager, Rowan, you and your staff, continue to guide the Berrigan Shire Council, by providing sound advice with a strong fiscal direction, working to a high standard and having the community front and centre. We thank you for that.

Fellow councillors, I also thank you for your ongoing support and the many contributions that you all bring to the table in representing your communities. We have been able to achieve outcomes for our communities.

I don't want to dwell on the current COVID 19 pandemic but must acknowledge that things have had to change and that somethings we have learnt during this period will hold our council in good stead in moving forward.

Having our first zoom meeting in late April was something that became the new normal during the first lockdown. Zoom meetings have been able to keep us connected as a council, performing our civic duty and also allowing us to be involved in more comprehensive discussions at both state and federal levels.

Berrigan Shire like a lot of other areas, has seen record levels of funding injected into our communities to stimulate both the local economy and the national economy. Many of these projects are completed, with more in progress or due to start.

The Tocumwal Splash Park and the Barooga Adventure Playground have both attracted many visitors to our region along with providing residents throughout the Shire a space to enjoy with family and friends. Upgrades to the Tocumwal library, streetscape works in Berrigan and Barooga complement new town entry signage. These are other examples of infrastructure projects that have seen amenity improvements.

Federal and State government drought communities funding has seen council provide many projects for our towns that have been completed or are nearing completion. These include the Berrigan War Memorial swimming pool and the Finley War Memorial swimming pool. Other drought communities' projects include the installation of irrigation at the Finley golf club, CBD improvements in both Finley and Berrigan, the construction of the Tocumwal Aviation Museum and upgrades to Lions Park in Barooga. So that all are ready to rebound once we can return to a new normal.

Many events were able to be held before the COVID lockdown and the Taste it in Tocumwal food festival was a great success, we look forward to it returning post-COVID. Unfortunately, this is not the case for other events cancelled due to the pandemic, with this having a significant impact on our local economies.

Strawberry Fields and the Berrigan Cup which are two of our most notable events couldn't proceed this year. I recognise that events play a significant role in our tourism strategy, and we look forward to most events able to return in 2021 in some shape or form.

The council continues to play a leading role within the community. It has again shown this through supporting the Barooga Sporties Health and Fitness for the next two years along with Moira Council to make sure this facility continues to operate.

A shining light has been the positive start to our cropping season. With the agriculture businesses and farming community experiencing much-needed rainfall, the expectation is that this season will be one that has been well overdue.

RAMJO (Riverina and Murray Joint Organisation) is made up of 11 councils and represents over 150,000 people across the region in which Berrigan shire is a voting member released its water position paper recently. I encourage those that haven't read it yet to take the time to source it out and read it.

The suspension of NSW local government elections have extended this council term by 12 months, and elections will now be in September 2021.

Finally, with uncertainty surrounding the COVID19 pandemic, we all must stick together, support our local businesses as much as possible so that all are ready to rebound once we can return to a new normal.

Stay safe.

Cr Matthew Hannan

General Manager



This report reflects the completion of the fourth year of the Council's now five-year term. The Council's achievement of its strategic priorities identified in its Delivery Program is well advanced either with most actions completed or on track for completion. The last two years have been both successful and somewhat tumultuous. Indeed, this report would have, in normal circumstances been presented to a new Council elected on 12th September 2020.

The recent impacts of the COVID-19 pandemic has seen the 2020 Council elections deferred until September 2021. While this deferral has changed the plans for some elected members I commend them for committing to seeing their now extended term through to September 2021.

This extended term has been accompanied by changes to the Code of Meeting Practice, restrictions on visitors attending Council meeting and, of course, the advent of "Zoom" meetings and the like.

While some of the above changes have worked well it is of concern that meetings and interactions with the public are somewhat more constrained than they previously were.

The Council has, again seen significant grant income received and many projects planned or completed over the past two years. These grant inflows have seen many projects developed that both the community and the Council could have dreamt of. While this has been a great outcome for the community it does have a considerable impact on the Council's ability to complete its own routine works and to operate to the standards expected of it. While these impacts are acknowledged they are, nonetheless, good problems in the overall outlook.

While not wanting to single out any particular project, the issues encountered in delivering the Tocumwal Foreshore revitalization project cannot be ignored particularly those around the new building. While the planning aspect of this have now moved on to the delivery phase the real issues around community consultation for those projects that have long delivery timeframes remains a concern. While that concern remains it must be noted that this was the Council's highest priority for its current term and to all intents this has been delivered.

Another notable change for this Council's term has been the successful inception of the Riverina and Murray Joint Organization (RAMJO) as required by the State. Whilst largely representing the former RAMROC Councils has a clearer focus and is progressing well with pursuing its strategic priorities. The Council has been actively involved in developing its Water Position Paper which has now been adopted and appears to have good support from most other stakeholders.

The Council continues to effectively manage its critical assets and is well advanced with the expansion of the Barooga Water Treatment Plant and replacement of the Finley Water Treatment Plant.

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These projects will both take some time to actually deliver however they will both leave their respective communities with reliable water supplies that will take them well into the future.

The Council has continued to invest in staff training, particularly the leadership training which has now seen almost half of the Council's staff actively involved. I thank the Council for its commitment as it is something that is discretionary yet it is likely to help our communities and the Council itself well into the future.

I believe that the Council's, now, bi-annual Business Awards have evolved into something that the Council can be proud of. Despite only one of the new style awards processes has been completed I think we can all see the success that that event was.

Finally, the completion of the Finley School of Arts project both completed a very difficult process and delivered a facility that will meet the needs of the community for a long time.

In hindsight the last two year term has been a very successful one with good outcomes and good progress with longer term strategic projects and despite the impacts of the COVID-19 pandemic the Council has continued to deliver on these and also its routine activities.

These results would not have been achieved without the co-operation and commitment of the Council to whom I extend my thanks and appreciation. Again, I reinforce my thanks to the commitment of those Councillors that decided to continue on into the fifth year of their term.

I would also like to express my appreciation to the Council, all of the Council staff, especially the senior management team without whom the Council's goals could not be delivered.



Rowan Perkins
GENERAL MANAGER

Shire Profile



Population		Our Top Employing Industries		% of Jobs
Median Age	49 years	Sheep, Beef Cattle and Grain Farming		10.1
Number of Households	3,639	School & Education		5.7
Households with Children	994	Road Freight and Transport		3.7
Occupied Private Dwellings	3,649	Residential Care		3.5
Average people per household	2.2			
Median monthly mortgage repayments	\$ 857			

Source: <https://profile.id.com.au/berrigan>

Councillors



Top Left to Right: Councillor Roger Reynoldson, Councillor Matthew Hannan (Mayor), Councillor Colin Jones

Middle Row: Councillor Denis Glanville and Councillor Ross Bodey

Bottom Row Left to Right: Councillor John Bruce, Councillor Daryl Morris (Deputy Mayor) and Councillor John Taylor

Rowan Perkins
General Manager

Council Management / Operations
Risk Management
Strategic and Social Planning
Economic Development
Councillor Support



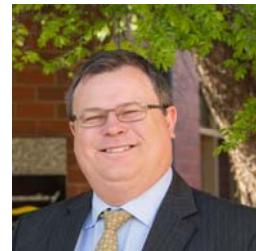
Matthew Clarke
Director of Technical Services

Roads, Bridges, Footpaths, Drainage
Depot & Council Buildings
Animal Control
Parks & Gardens
Water & Sewerage
Health Services
Town Planning, Development & Building Control
Waste Control
Aerodrome

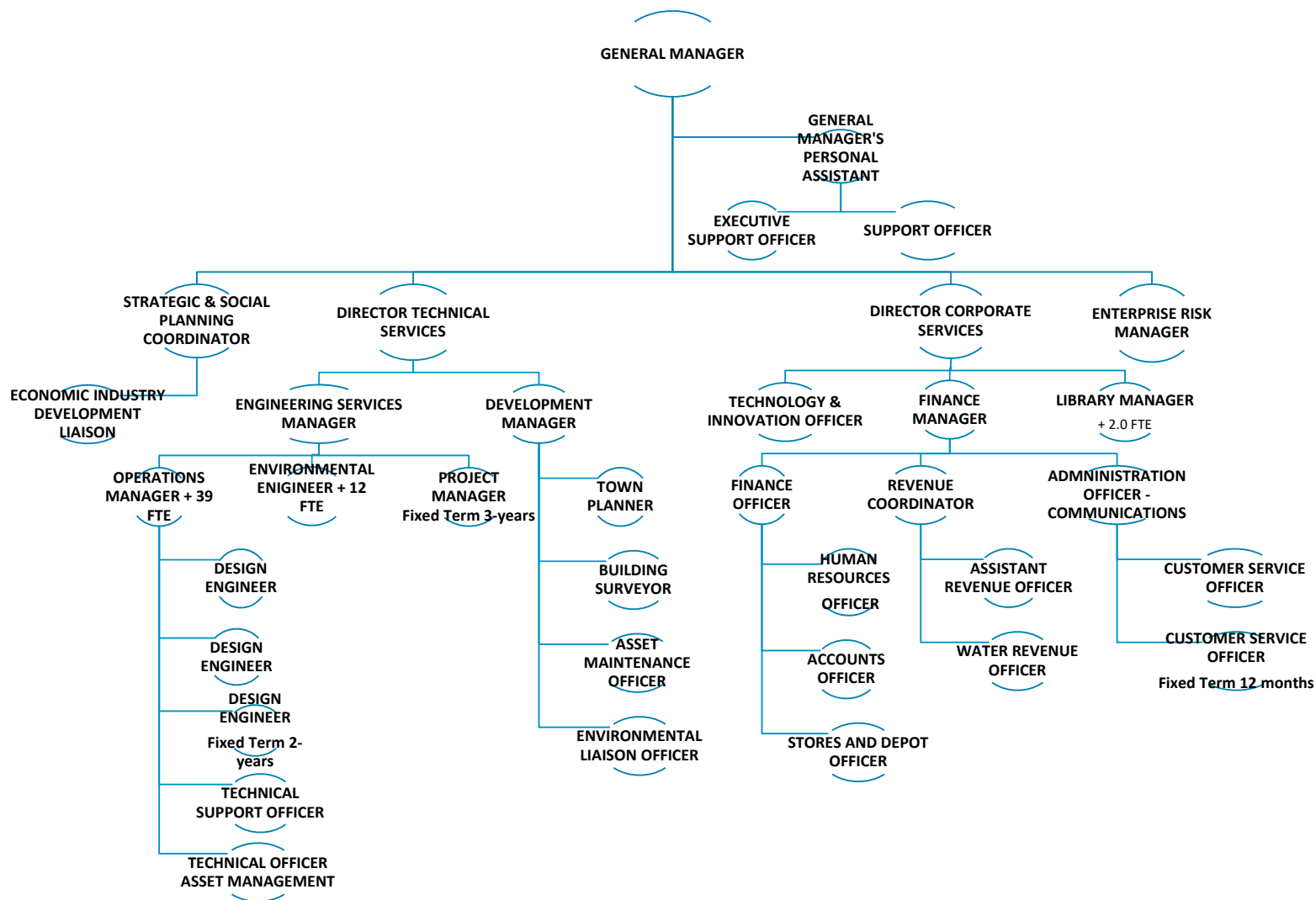


Matthew Hansen
Director of Corporate Services

Finance, Administration & Human Resources
Rates & Charges Land Sales
Libraries
Swimming Pools & Recreation Reserves
Saleyards
Bush Fire Control
Tourism & Caravan Parks
Cemeteries



Organisational Structure



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The Shire council’s annual operational plan and 4-year Delivery Program describe the full range of council services. It is themed according to **Berrigan Shire 2027** strategic outcomes and is the Council’s blue print about how Council services, programs and initiatives contribute toward our strategic outcomes:

- Sustainable natural and built landscapes
- Good government
- Supported and engaged communities
- Diverse and resilient business

The following figure illustrates the strategic outcome, Council’s Delivery Program outputs, Operational plan actions and the review logic and integration of **Berrigan Shire 2027** with the Council’s suite of integrated plans.

Our Planning Framework








Council Services: What the Council Does		
CSP: Strategic Outcome	Service	Delivery Program Outputs
Sustainable natural and built landscapes	Housing	Planning and building control
	Environment	Storm water, street cleaning, noxious weed control, waste
	Sewerage Services	Sewer System
	Mining, Manufacturing and Construction	Quarries
Good government	Transport and Communication	Roads and footpaths, street lighting, aerodrome
	Administration	General Administration charges and costs associated with delivering services
Supported and engaged communities	Governance	Councillors fees and expenses, elections, meetings and Association fees
	Public Order and Safety	Fire protection, SES
	Health	Food control, Domestic animal control
	Community Amenities	Public toilets, Cemeteries
	Community Services & Education	Social Planning
Diverse and resilient business	Water Supplies	Town Water
	Recreation and Culture	Libraries, Recreation Reserves, Swimming Pools, Public Halls and Parks
	Economic Affairs	Caravan Park, Sale yard, Tourism and Economic Development

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In the past year, 52 Council actions have been fully completed with three actions noted as on target, four actions noted as not on target and a further six actions deferred. Of the ten actions noted by Council Officers as 'not on target or deferred' five of these actions are noted by Council Officers as not being on target due to COVID19 pandemic.

A Snapshot of our Performance

Complete	On Target	Not on Target	Past Due	No Status / Deferred	Total Actions
					
52	3	4	-	6	65



Sustainable natural and built landscapes

Development decisions made today about how we move around and between our communities and use our natural resources – the River, wildlife, forests, agricultural and urban land, and water shape the future of our communities.

Council's Delivery Program and strategic objectives are:

- 1.1 Support sustainable use of our natural resources and built landscapes
- 1.2 Retain the diversity and preserve the health of our natural landscapes and wildlife
- 1.3 Connect and protect our communities

Performance Reporting and Review

Included in this report is a

- Snapshot of Council programs and activities that, in the past 12-months, have contributed to the Council's [Delivery Program](#) and Strategic objectives.
- Traffic light review of Operational Plan 2019/20 Sustainable Natural and Built Landscapes actions; and
- An overview of Council's performance against Sustainable Natural and Built Landscapes [Delivery Program](#) key performance indicators and [Financial Strategy 2016](#) key performance indicators.

Highlights

Reconstruction of MR 363



As part of the 2019-20 Capital Works Program Council successfully reconstructed 1.2km of MR 363 south- west of the intersection of Womboin Road. The Council receives approximately \$1.2m each year from the state to maintain regional roads (approximately 107km). For the technically minded this project involved

cement stabilising 150mm of the existing pavement and overlaying the stabilised pavement with a further 100mm of Road base material before the roads sealing and line marking. This new pavement is expected to last for another 40 years before it will need to be ripped up and reconstructed again. **Project Cost:** \$280k.

Asbestos Concrete Sewer Main Relining Tocumwal

As part of the 2019-20 Capital Works Program the Council successfully relined 1.8 km of an old asbestos concrete sewer main in Tocumwal. Tocumwal's Sewer Network was commissioned in the mid-1960s and it is approaching its end of life. The Council has a \$200,000 rolling relining/replacement program, in place, to address its aging sewer gravity and rising mains. The Council maintains approximately 76km of sewer gravity mains and 41.5km of sewer rising main. The Council's asbestos concrete mains will be relined twice more before they need to be replaced. As the design life of our sewer mains is 80 years and also because most sewer systems are installed as one project we are, going forward working to replace up to 1-2 km each year so that we can avoid any sudden change in the budgets and operation of the Council's Sewer Network.

Highlights

Local Strategic Planning Statement



Berrigan Shire
Local Strategic
Planning
Statement

2020-2040



The Council has now adopted the Berrigan Shire Local Strategic Planning Statement (LSPS) setting out a 20-year vision for land use planning in Berrigan Shire LGA.

Our LSPS contains six strategic themes highlighting our rural character, active lifestyle, identity, assets and opportunities. Included in the LSPS is an analysis of the challenges we face and which need to be addressed so that our communities can continue to experience growth and change.

The Berrigan Shire LSPS guides not only the Council's finer grained strategic planning and policy review, it also includes how the Councils will use the planning system to address challenges and direct economic and social relations in its role as an advocate for Berrigan Shire LGA.

Weeds Management

The past 12-months has been busy for the Council's Weeds team. Historically the Murray County Council has been responsible for the management and control of weeds beside our roads within our parks, water ways and reserves. A small but dedicated two-person team the Council's Weed Control Officers are now responsible for the implementation of the Council's Weed Action Plan developing a local road side weeds management plan targeting Feather top Rhodes Grass



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Sustainable Natural and Built Landscapes






1.1 Support sustainable use of our natural resources and built landscapes

Delivery Program Actions



1.1.1 Coordinate strategic land-use planning

1.1.2 Coordinate and develop Community Participation Plans in accordance with relevant legislation and the Council's Community Engagement Framework

1.1.3 Enhance the visual amenity, heritage and liveability of our communities

Action Code	OP Action	Responsibility	What will be the result?	Progress YTD	Status	Comment
1.1.1.1	Increase community awareness regarding development application process	Development Manager	Improved community satisfaction with Development Services	100%		
1.1.1.2	Process and approve / refuse development applications in accordance with relevant legislation, codes and policies	Development Manager	Effective and timely assessment of development applications	100%		
1.1.1.3	Commence review of Local Environment Plan	Development Manager	Review undertaken in accordance with statutory requirements	0%		Preliminary review commenced. To be completed 2020/21
1.1.2.1	Establish a framework for the development of Community Participation Plans when required to do so by legislation	Development Manager	Additional opportunities will be provided for the community to comment on new Development	100%		
1.1.3.1	Continue Annual Heritage Grants Program	Development Manager	Enhancement of the conservation value of heritage items	100%		

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Action Code	OP Action	Responsibility	What will be the result?	Progress YTD	Status	Comment
1.1.3.2	Continue rolling program of works – town entrances	Director Technical Services	Improved visual amenity and attractiveness of our towns and major town entrances	100%		Signage works completed. Tree planting progressing.
1.1.3.3	Implement the Tocomwal Foreshore Master Plan	Director Technical Services	Sensitive and sustainable development of the Tocomwal Foreshore	100%		Road works completed. Designs are being finalized for the visitor information center building



1.2 Retain the diversity and preserve the health of our natural landscapes and wildlife

Delivery Program Actions

1.2.1 Partner with community groups and agencies on projects that retain and preserve the health of our natural landscapes and wildlife




OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
1.2.1.1	Contribute to Central Murray County Council	Director Corporate Services	Weed infestation within the Shire is eradicated and / or manageable	100%		
			Weed infestation within the Shire is eradicated and / or manageable			
1.2.1.2	Participation in roadside vegetation enhancement projects	Development Manager	Quarterly survey of sites	100%		No funding available for 2019/20
			Quarterly survey of sites			
1.2.1.3	Undertake tree assessments and establish a tree register	Enterprise Risk Manager		40%		Tree assessments are progressing now. Tree Management and Assessment procedure developed. Staff employed to identify tree species and begin a comprehensive tree register.
1.2.1.4	Monitor and undertake as required the control and management of pests	Development Manager		100%		
1.2.1.5	Undertake a review of the plans of management for Crown Lands controlled by Council or Council Committees of Management	Development Manager		100%		To commence 2020/21



1.3 Connect and protect our communities

Delivery Program Actions






1.3.1 Coordinate flood levee, Council road network and storm water asset management and planning

1.3.2 Manage landfill, recycling and waste disposal

OP Action Code	OP Action	Responsible	What will be the result	YTD	Status	Comments
1.3.1.1	Review and implement asset management plans which maintain a balance between improving and maintaining flood levees, stormwater, Council roads, paths and trails	Director Technical Services	Asset Plans are reviewed by due date. Review of Asset Management Plans is informed by community feedback / expectations re: service levels	75%		Transport Asset Management Plan currently in review
1.3.1.2	Design, construct and maintain stormwater systems that safely capture and remove water	Director Technical Services	On an ongoing basis 95% of service levels set out in the Storm Water Asset Management Plan are met	100%		Programmed capital works completed where not associated with larger project that has been delayed. Maintenance of system up to date
1.3.1.3	Ensure sewer network is safe and functional	Director Technical Services	Revenue Policy targets met Revenue Policy targets met Project Milestones met	100%		Sewer network maintained in operational and functional state.

OP Action Code	OP Action	Responsible	What will be the result	YTD	Status	Comments
1.3.1.4	Continue remediation Tocumwal Foreshore Levee	Director Technical Services	Annual inspection is undertaken and scheduled maintenance completed	100%		Tree clearing and graveling work programmed. Further investigation being carried out in the section of levee that is known to be keyed into sand. Flood study in progress
1.3.1.5	Maintain the safety of Council roads and walkways	Director Technical Services	Increase in active engagements social media	75%		Roads maintained and improved in accordance with budget
			On an ongoing basis 95% of service levels set out in the Asset Management Plan are met			
			Weekly publication			

Sustainable natural and built landscapes Operational report 2019/20

Completed	On Target	Not on Target	Past Due	Deferred / Not Due	Total
					
14	2	2		1	19

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Delivery Program Monitoring Measures:**Sustainable Natural and Built Landscapes:****Activity Data Development Applications and Construction Certificates**

	July 2019 to Dec 2019	Jan 2020 to June 2020	Year to Date Value \$
Development Applications (DA)	96	88	25,844,624.00
Construction Certificates (CC)	79	68	15,645,400.00
Complying Development Certificates (CDC)	23	16	2,631,744.00
Local Activity (s.68)	41	32	0.00

* Includes Finley Solar Farm

Monitoring Measure: Heritage**Indicator- Uptake of Heritage Grant Program**

Heritage Grants	Number / Total
Number of applications received 2019/20	Five
Number of applications funded	Four
Total value of grants	\$9,763.50
Number of grants acquitted	Four
Compared with the same period 2020	+\$969.50

Monitoring Measure: Waste**Indicator: Activity Data Domestic Roadside Waste Collection**

Month	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	6-mth Total	YTD %	Target
Volume (m³)	360	360	360	360	360	360	2160	50%	2160
Mass (Tonnes)	135	135	135	135	135	135	810	50%	810
Month	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	6-mth Total	YTD %	Target
Volume (m³)	360	360	360	360	360	360	2160	100%	4320
Mass (Tonnes)	135	135	135	135	135	135	810	100%	1620

* Variance in % due to change in conversion factor m³ to tonnes. Change also in method of estimating amounts to ensure consistency with EPA Reporting



Good Government

Good government is about making good decisions over time. These decisions involve managing our financial, economic, and environmental risks and the social implications of decisions made.

Council's Good Government [Delivery Program](#) and strategic objectives are:

- 2.1 [Berrigan Shire 2027](#) objectives and strategic actions facilitate the effective governance by Council of Council operations
- 2.2 Strengthen strategic relationships and partnerships with community, business and government

Performance Reporting and Review

Included in this report is a

- Snapshot of Council programs and activities that, in the past 12-months, have contributed to the Council's [Delivery Program](#) and Strategic objectives.
- Traffic light review of Operational Plan 2019/2020 Good Government actions; and
- An overview of Council's performance against Good Government [Delivery Program](#) key performance indicators and [Financial Strategy 2016](#) key performance indicators.

Highlights

Financial Fast Facts

Overall performance	
Operating surplus	\$ 4.4m
Operating surplus before capital grants and contributions	\$ 0.7m
Revenue and expenses	
Total revenue	\$ 26.5m
Total expenses	\$22.1m
Cash and investments	
Investments, Cash and Cash equivalents	\$ 38.3m
Balance Sheet	
Total assets	\$ 343.3m
Total liabilities	\$ 7.8m
Total equity	\$ 335.5m

Training and Development

Local Government NSW has developed a Councillor and Council staff capability framework. This 'Framework' defines the expected and abilities of Councillors and Council staff. This year the Council used the Framework to review the Position Descriptions and Training Plans of Council staff. Also, the Framework guided the development of training plans for Councillors. Councillors now have individualized training plans that use 'the Framework' to identify core skills for elected members, their training needs, and the courses or activities the Councillors will undertake during their 4-year term.

Highlights

Certificate 3 in Civil Construction

In October 2019, with the support of NSW Government's apprenticeship funding the Council sponsored the participation of nine staff in an NSW TAFE Certificate 3 in Civil Construction (Plant Stream). The course delivered by the NSW TAFE, at the Berrigan Depot, is expanding the skills and knowledge of participants, current employees, who work in the Council's civil construction crews. It involves the completion of 19 units (14 core plus five elective units). This 3-year course, with an option of early completion, includes the possibility of employees selecting electives that are not only a good fit in terms of what they do at the Council but which also provide an opportunity for them to pursue their particular interest with a civil construction focus.

COVID19 Response

The Council, in common with the rest of Australia, began responding to the threat of COVID 19 when it became apparent that COVID19 was a public health risk. In response to NSW Public Health Orders and recommendations from NSW Health, the Council from the week beginning the 17 March cancelled planned events and closed our libraries.

By the following week (23 March) those staff who could work from home did so. The Council maintained a skeleton staff in its offices while deeming the Bendigo Bank an essential service. Hence its operation with reduced hours. The week of the 23 March also saw the closure of street stalls, halls, community buildings, our splash parks, and public BBQs, Town Beach and the Finley Showgrounds. The following week on the 30 March the Berrigan Shire Local Government Area recorded its first coronavirus case with a returned a traveller, prompting the closure of Council playgrounds and skate parks. By the 4 April, there were five identified cases in the Berrigan Shire.

From mid-March to mid-May the Council continued its operations with all staff adapting to change in their work environment, which for many meant working from home. It was not until the 15 May that we were allowed to open playgrounds, splash parks, public BBQs and all public toilets. From which date our staff gradually transitioned to working back in the main Council Office or Council Depots. A transition that has meant that we practice physical-distancing and use hand-sanitiser, reduce unnecessary contact with others, and in doing so, consider how we can safely meet with and communicate with our community.

Good Government



2.1 Berrigan Shire 2027 objectives and strategic actions facilitate effective governance by Council of Council operations and reporting

Delivery Program







2.1.1 Council operations, partnerships and coordination of resources contribute toward the implementation of Berrigan Shire 2027

2.1.2 Meet legislative requirements for Council elections, local government and integrated planning and reporting





2.1.3 Council operations and financial management support ethical, transparent and accountable corporate governance

OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
2.1.1.1	Promote and support the engagement of Shire residents, local business and agencies in the development, implementation of Berrigan Shire 2027	Strategic and Social Planning Coordinator		100%		Due to the COVID19 pandemic face to face community engagement with local residents and business has been limited. The focus of engagement has shifted to online and focused engagement with user groups that have expressed an interest in town plan master plan implementation developed to support implementation of Berrigan Shire 2027.
2.1.2.1	Provide facilities and support including financial to the elected Council	General Manager	Publication of audio Files Publication of audio Files Self-reported increase in Council skills and knowledge	100%		Temporary procedures put in place to allow meetings to occur during COVID-19 pandemic.



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OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
2.1.2.2	Implement and further develop the Berrigan Shire Integrated Management System	Enterprise Risk Manager	<p>Inspections undertaken in accordance with IMS requirements</p> <p>Inspections undertaken in accordance with IMS requirements'</p> <p>Quarterly Report</p> <p>Actions included in Delivery Program Review</p>	80%		<p>HR procedures gradually being developed and will be moved over to Magiq drive once completed;</p> <p>Forms have been developed with almost 100% of Council documentation controlled.</p>
2.1.2.3	Implement Berrigan Shire Council's Improvement Plan	General Manager		100%		The Council has met all of its statutory requirements in relation to its Integrated Planning and Reporting. Council elections have been postponed until September 2021.
2.1.3.1	Coordinate Council investments, financial management, financial operations and processing	Finance Manager		100%		Reviewing Council financial strategy. Statements complete, unqualified audit report received. Plan for addressing Management letter items prepared. New Management Accountant position created and filled.
2.1.3.2	Monitor and respond to change in the Financial Governance, Regulatory/Reporting Frameworks	Director Corporate Services		100%		Internal Audit completed. Nine IML and FML audit items successfully addressed at Audit.
2.1.3.3	Deliver responsive customer service	Finance Manager		100%		Progressing
2.1.3.4	Conduct service review and develop the Corporate Services Strategic Plan	Director Corporate Services		0%		Staff changes and responding to COVID-19 has delayed work on this item

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OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
2.1.3.5	Manage human resource and workforce development activities through the implementation of the Berrigan Shire's Workforce Development Plan 2017 - 2021	Enterprise Risk Manager	Implemented Increase compared to 2016 result in the % of staff reporting greater recognition Material value of volunteer effort identified Annual Report 2019/20	60%		Gradually implementing items in the Plan. EEO Plan and policy under review. Further HR documentation under development. Skills Lists and PDs under review and development to tie in with Salary Assessment database.
2.1.3.6	Provide Information technology and associated support for Council operations	Director Corporate Services		100%		Cybersecurity has become an IT priority. New policies and procedures being developed. New Password Policy adopted and being implemented. The IT function has been a critical component of Council's COVID-19 response plans and isolation measures
2.1.3.7	Coordinate the delivery and management of Shire records and communications	Director Corporate Services	Conduct survey to establish benchmarks	100%		Move to new Electronic Document and Records Management System (EDRMS) to take effect from 1 July 2020.
2.1.3.8	Maintain and sustainably redevelop existing infrastructure and community assets	Director Corporate Services	Adopted by Council	100%		Upgrade of facilities at Berrigan War Memorial Swimming Pool, Collie Park, Finley Showground and Sporting Complex, Finley School of Arts, Tocumwal Recreation Reserve and Finley Swimming Pool and Hayes Park and Apex Park completed. Funding for LED lighting at recreation reserves secured. SSPC and DCS working with Barooga Recreation Reserve committee of management to develop a Strategic Plan for the reserve

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OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
2.1.3.9	Coordinate and manage maintenance and renewal of Council plant and equipment	Director Technical Services		100%		Plant maintained as required and renewed in accordance with Plant Replacement Program.
2.1.3.10	Coordinate the ongoing review and development of Council and Operational Policies and procedures	Director Corporate Services		100%		Continuing and ongoing






2.2 Strengthen strategic relationships and partnerships with community, business and government

2.2.1 Participate in networks that promote regional and cross-border collaboration, planning and service delivery

OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
2.2.1.1	Develop resources and establish partnerships that improve local assessment of social and economic implications of regional and inter-governmental decision-making on Shire residents, business and Council operations	Strategic and Social Planning Coordinator	Improved efficiency Regional response to issues	100%		Updated social and economic information and resources through use of id.data resources - this information now includes recipients of job keeper and job seeker payments. Further analysis undertaken in the upcoming financial year
			Improved efficiency Regional response to issues			
2.2.1.2	Actively lobby all levels of government and industry re: Murray Darling Basin Plan	General Manager		100%		Worked with RAMJO to develop regional Water Position Paper. Worked with Moira Shire Council to support Barooga Health and Fitness Centre

Good government

Operational Plan 2019/20 report

Completed	On target	Not on target	Past Due	Deferred / Not due to start	Total
					
13	1	1	-	1	16

Delivery Program Monitoring Measures: Good Government

Organisational Capacity

	1 July 2017 to 30 June 2018	1 July 2018 to 30 June 2019	1 July 2019 to 30 June 2020
Staff Turnover exc. Casuals	10%	12.7%	10.2%
Length of time unfilled	Average 4 weeks	Average 3 weeks	Average 3 weeks
Skilled vacancies	4	3	8
Managerial vacancies	0	1	1

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Monitoring Measure: Financial Strategy 2016 Key Performance Indicators

1. Operating Performance	Amount ,000 2019/20	Performance 2019/20	Financial Strategy Target
Operating Revenue (excl. Capital) - Operating Expenses	\$ 1,281	5.60%	0.0 %
Operating Revenue (excl. Capital Grants & Contributions)	\$ 22,883		
Indicative Target: An operating performance ratio greater than 0% across any five-year period. N/A – not available until the end of a Financial Year			

2. Unrestricted Current Ratio	Amount ,000 2019/20	Performance 2019/20	Financial Strategy Target
Current Assets less all External Restrictions	\$ 15,049	4.33	2
Current Liabilities less Specific Purpose Liabilities	\$ 3,520		
Indicative Target: An Unrestricted Current Ratio of at least 2x			

3. Rates, Annual Charges, Interest & Extra Charges Outstanding	Amount ,000 2019/20	Performance 2019/20	Financial Strategy Target
Rates, Annual & Extra Charges Outstanding	\$ 570	5.07%	8.0 %
Rates, Annual & Extra Charges Collectible	\$ 11,246		
Indicative Target: Outstanding rates, annual and extra charges percentage to remain under 8% as of 30 June each year			

4. Building and Infrastructure Renewals Ratio	Amount ,000 2019/20	Performance 2019/20	Financial Strategy Target
Asset Renewals (Building, Infrastructure & Other Structures)	\$ 7,739	149.43%	100% +
Depreciation, Amortisation & Impairment	\$ 5,179		
Indicative Target: Building, Infrastructure & other Structure renewals Ratio to remain over 100% on average over the life of the LTFP. When setting this target the council should consider that asset replacement is often lumpy - with large changes in asset renewals depending on the needs of the time. The Council should consider its performance on this measure over no shorter than a 10 year periods and preferably longer.			

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5. Infrastructure Backlog Ratio	Amount ,000 2019/20	Performance 2019/20	Financial Strategy Target
Estimated cost to bring Assets to a satisfactory condition	–	0.0%	0.0 %
Total value of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	\$274,657		
Indicative Target: Infrastructure Backlog Ratio to remain at less than 2% at all times			

6. Capital Expenditure Ratio	Amount ,000 2019/20	Performance 2019/20	Financial Strategy Target
Annual Capital Expenditure	**	**	1.0
Annual Depreciation	**		

7. Debt Service Cover Ratio	Amount ,000 2019/20	Performance 2019/20	Financial Strategy Target
Operating Result before Interest & Dep. exp (EBITDA)	\$ 7,763	18.27	2 x
Principal Repayments + Borrowing Interest Costs	\$ 425		

8. Cash Expense Cover Ratio	Amount ,000 2019/20	Performance 2019/20	Financial Strategy Target
Current Year's Cash & Cash Equivalents (incl. Term Deposits)	**	**	3 months
Operating & financing activities Cash Flow payments	**		
Indicative Target: Cash expense cover ratio is to be no less than 3 months			



Supported and engaged communities

Safe, healthy, accessible and inclusive communities are child and older person friendly.

Lifelong learning, cultural expression, services for older residents and recreational activities provide opportunities for people with a diverse range of interests to become involved and engaged in their local communities

Council's Supported and engaged communities [Delivery Program](#) strategic objectives are:

3.1 Create safe, friendly and accessible communities

3.2 Support community engagement through life-long learning, culture and recreation

Our traffic light review of [Operational Plan 2019/20](#) actions describes whether Council in the past 12-months has done what it said it would do and if not Officers comments provide guidance on why not?

Council Officers have also commented on significant achievements or projects commenced in the past 12-months.

Highlights

Australia Day 2020

Citizen of the Year: Colin Jones (Tocumwal)

Junior Citizen of the Year: Ruby Russell (Finley)



The Berrigan Shire Sports Team of the Year was the Tocumwal Public School Girl's Softball Team who in 2019 reached the state quarter-final in the NSW Primary Schools Sports Association Knockout Competition. A remarkable effort, for the girls and their supporters, made all the more remarkable because there is no local softball competition. On the way to the quarter-finals, the girls defeated Narrandera Public School (22-6) and then Lavington Public School (34-2) to reach the Riverina final. They went on

to play the highly competitive Lake Albert Public School and won in a nail-biting match (17-16) to become the Riverina champions. The team's next challenge came with an 11 hour trip to the South Coast region of NSW, Pambula Public School where the team earned their spot in the NSW state quarter-finals played at home in front of a very excited audience. The highly experienced and skilled Panania Public School from the Sydney South and South West region won this match ending the team's winning streak.

Berrigan Pool

Given a new lease of life in 2019 was the Berrigan War Memorial Swimming Pool. A \$430,000 project funded by the NSW Government Stronger Country Communities Program with additional funds from the Council and the pool's volunteer Committee of Management the old amenities block was replaced with an easy to maintain the facility. A facility with new change rooms, lockers, hot and cold showers, an air conditioned kiosk for volunteers, as well as a dedicated disabled change room with toilet and shower. Refurbished also was the concrete concourse surrounding the pool – no more stubbed toes.



Highlights

Stay Connected

COVID19 disrupted many of the program and community activities our communities take for granted with planning for Youth Week halted in its tracks. Also cancelled were the Council's Library Services school holiday programs, story time and group programs. The importance of staying connected to our local sports clubs and supporting each other during locked down led to our social media and library services team developing our #stayconnected campaign. This campaign saw our amazing communications and library teams collaborate and learn new skills – posting information about how to 'Zoom'; filming and posting story time and craft videos, and finding new ways to connect with each other and those in our community who could no longer come to our libraries, visit their club, family or friends. If asked online what is the most important thing that we can do to support and engage our communities use the tag - #stayconnected



Children's Young People and Families' Strategy

Council reviewed and adopted this year its new 4-year Children's, Young People and Families Strategy having sought comment from local service providers, local schools and our community about

- The services provided by Council and used by children, young people and their families
- What our community members know about how to access support services; and
- The support needed by families balancing work and family commitments.

The good news is that more families with children are now living in the Berrigan Shire – the concerning news is that families are finding it harder to access locally the services they need. The Council is continuing its investment in the parks, playgrounds and amenities used by families and will continue to advocate for services

Alexander Garden Award

The annual Alexander Garden competition remembers Bill Alexander an ex-councillor and gardener. This year the judges commented on the difficulty of their task. This year's winners are:

- Geoff & Lynn Knight – 34 Lawson Drive, Barooga
- Claus & Carol von Brockhusen – 74-76 Barooga Street, Berrigan
- Beverley Sampson – 51 Tuppall Street, Finley

Russell & Patricia Hay – 27 Boyd Street, Tocumwal won the overall prize Best Garden 2019

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Supported and engaged communities

3.1 Create safe, friendly and accessible communities





Delivery Program Actions

3.1.1 Build communities that are home to more families and young people





3.1.2 Facilitate all age healthy lifestyles and ageing in place

3.1.3 Strengthen the inclusiveness and accessibility of our community



3.1.4 Coordinate and facilitate the delivery of potable water, public health and safety services

OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
3.1.1.1	Support and promote the healthy development and wellbeing of children and young people	Director Corporate Services	Reports to Council provide feedback on participant survey results Kids Fest Youth Week Annual Report to council re: Volunteer Hours / Management facilities: Pools, Toy Library	100%		New facilities at Berrigan War Memorial Swimming Pool, Tocumwal Library and Collie Park are all used predominantly by children. Kids Week held. Library offering school holiday programs and weekly pre-school "story time". COVID-19 social restrictions continue to have a major impact on services for young people - including the closing of playgrounds, splash parks, skate parks and libraries.
3.1.1.2	Implement Children and Families Strategy 2015 - 2019	Strategic and Social Planning Coordinator	One new project or partnership initiated per annum	100%		Actions in new Strategy on hold due to COVID19 impacts
3.1.2.2	Implement the Active Ageing and Disability Inclusion Plan	Strategic and Social Planning Coordinator		100%		DIAP implementation is ongoing
3.1.3.1	Promote the social and economic wellbeing of Shire residents through implementation of Disability Inclusion	Strategic and Social Planning Coordinator	Participant numbers are maintained and or increased	80%		Projects planned and commenced in the previous quarter have been cancelled due to COVID19.

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OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
	Plan, social planning and community development activities					Preliminary contact with community partners suggests that deferred activities will not undertaken in the first half of the 2020/21 Financial Year. Online the Council's social media uses the hashtag #stayconnected to encourage residents to stay connected with family, friends and clubs.
3.1.2.3	Provide recreation facilities which support active lifestyle and ageing in place	Director Corporate Services		100%		Tocumwal Library includes space for activities for ageing in place. New walking path in Tocumwal provides essential link for mobility devices. New Outdoor Dining and Footpath Trading policy in place.
3.1.4.1	Ensure potable water and sewer network is safe and functional	Environmental Engineer	Supporting Operational Plan actions are undertaken and the outcome reported	100%		
3.1.4.2	Monitor, control and report upon environmental contaminants and public health hazards - water, fire, refuse, buildings and air	Development Manager		100%		
3.1.4.3	Coordinate and facilitate local emergency management committee	Director Technical Services	Adopted by Local Emergency Management Committee Adopted by Local Emergency Management Committee	100%		Meetings facilitated as programmed.

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OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
3.1.4.4	Develop and maintain local cemeteries and associated infrastructure	Director Corporate Services	Annual Report	100%		Cemeteries maintained and operating
3.1.4.5	Control and promote responsible ownership of companion animals	Development Manager		100%		Regular updates on Council website and Bulletin



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3.2 Support community engagement through life-long learning, culture and recreation



Delivery Program actions

3.2.1 Provide opportunities for life-long learning, cultural expression and recreation

3.2.2 Facilitate and partner with local communities in the development of township plans






OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
3.2.1.1	Coordinate and deliver local library services in accordance with Library Services Strategic Plan 2014 - 2018	Library Manager	Door count increases 10% 2012/13 to 2016/17	100%		Strategic Plan and LH Digitisation on hold.
			Customer survey 80% satisfied with library service			
			Completed on time and within budget			
			Borrowings decline by less than 5% 2017/18 to 2020/21			
3.2.1.2	Strengthen community engagement and participation in Council activities	Strategic and Social Planning Coordinator		100%		The COVID19 pandemic has led to the cancellation of a number of cultural and recreational activities hosted by the various clubs that use Council facilities. The 100% complete for the financial status reflects that while the shutdown of facilities and activities has impacted Clubs and user groups - the Council has completed capital works projects - Finley Showgrounds Soccer Pavillion, Upgrades to Hayes and Apex Park, Barooga

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OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
						Adventure Park which have engaged users in their develop is continuing to meet its strategic objective in this regard. The Council in response to extensive community feedback has also made provision to support the Barooga Sporties Group operation of the indoor pool for a two year period.
3.2.1.3	Financially contribute to and support South West Arts programs and activities	Director Corporate Services	Three cultural activities implemented in partnership with South West Arts per year	100%		SWA financial contribution made. Partnered with SWA on successful Arts NSW grant for Tocumwal WAAAF Walk. Partnering with SWA to develop arts hub in Finley at the old Senior Citizens Centre.
3.2.2.1	Coordinate and align community projects and activities with township masterplans	Strategic and Social Planning Coordinator	75%	100%		All projects identified from township master plans scheduled for implementation are on target or have been completed. Part of a rolling program a number of projects have been carried forward to the upcoming financial year.

Supported and engaged communities

Operational Plan 2019/20 report

Completed	On target	Not on target	Past Due	Deferred / Not due to start	Total
					
13	-	1	-	0	14

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Delivery Program Monitoring Measures: Supported and engaged communities**Indicator:** Community Events and Engagement

Activities	July 2019 to Dec 2020	Jan 2020 to June 2020
Community events held in partnership with other services	1	Nil
Community Engagement activities	2	3

Indicator: Face Book Analytics: Social Media Engagement

	01/07/19 - 31/12/19	1/01/20– 30/06/20	Total
Organic Reach The number of people who had any content from the Council's Facebook enter their screen through unpaid distribution. This includes posts, check-ins, social information from people who interact with Council's Page. (Unique Users)	526,080	933,976	1,460,056

Indicators Life-long Learning June 2019 – June 2020

Library events number of participants	1279
Door Count	21371
Library loans	25138
Users (Members)	3180
WIFI (Login / Devices)	Logins: 1320 Devices: 953
Loans (e-audio and e-books) + e magazines	5079



Diverse and resilient business

Our lifestyle, climate, existing facilities and proximity to Melbourne present a range of agricultural, tourism, retail and health industry opportunities.

Council's [Delivery Program](#) and diverse and resilient business strategic objectives include:

- 4.1 Strengthen and diversify the local economy through investment in local jobs creation, and innovation
- 4.2 Diversify and promote local tourism
- 4.3 Connect local, regional and national road, rail and aviation infrastructure

Our traffic light review of [Operational Plan 2019/20](#) actions describes whether Council in the past 12 months has done what it said it would do and if not Officer comments provide guidance on why not?

Highlights

The Tourism Network Luncheons

The Tourism Network, now into its third year and currently deferred because of COVID19 has been well supported by tourism businesses across the three local government areas of Berrigan and Moira Shires and the Federation Council. The aim of the network is to develop interaction between our local tourism businesses by offering a lunchtime getaway with an educational opportunity attached.

Before gatherings of this type were shut down there had been over 60 businesses participate in a lunch at the Yarrawonga Mulwala Golf Club where the guest speakers discussed the importance of writing engaging copy for social media and websites. Included in this discussion was some activities to get people really thinking about what sort of content will keep readers on your page.

The next gathering was at the Cobram Barooga Golf Club. At this event representatives from Albury Wodonga, Echuca Moama, and Deniliquin came to talk about their local tourism products. This was an opportunity for our local business operators to expand their knowledge of the product offering in the region and to help them recommend day trips for their guests.

The Tourism network lunch program will recommence as soon as restriction ease.

Berrigan Shire Business and Industry Facebook group.

Based on feedback (April 2020) from the Council's COVID19 Business Survey, the Council established the Berrigan Shire Business and Industry Facebook Page.

The initial approach to moderating this Page included curating the flow of information filling the inbox of every business. In the early stages of the lockdown, many opportunistic businesses flooded the internet with offers of online courses and various cash flow and business planning solutions. Through the Facebook Group, we were able to read the fine print of all the information and make sure that we posted

legitimate and useful information, thereby filtering out information that was not relevant.

The other popular posts were the unedited 'Zoom' interviews with local business operators sharing their experiences with the 120+ members of the group. These interviewed proved to be a great success, possibly because the low production values in the Zoom call allowed interviewees to be candid and engage in honest conversations about and reflecting on their immediate struggles and triumphs.

Highlights

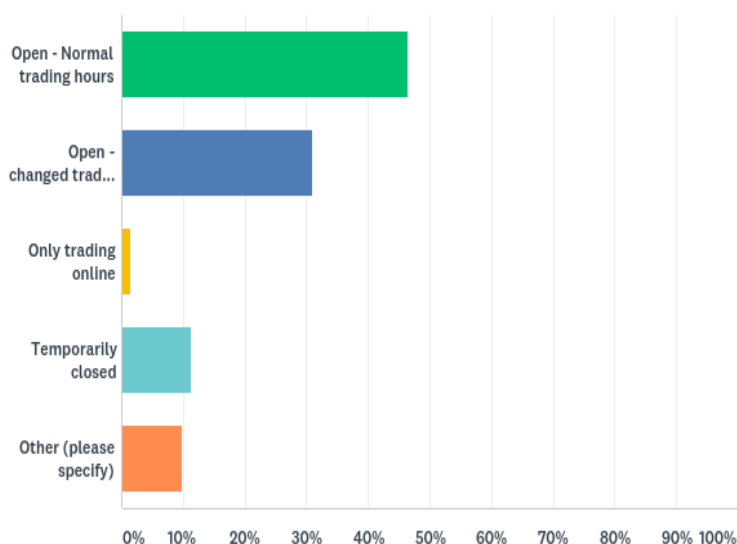
COVID 19 Business Survey Results

In response to the lockdown of non-essential business operations in the last quarter of the 2019/20 financial year the Council surveyed local business. Of the 110 businesses invited to respond to this survey 71 businesses that is 65% of the businesses surveyed completed the survey with 14 out of the 18 ANZIC industry codes represented. In response to the question **What changes are being made?** Local businesses told us that they were

- Open via appointment.
- Office closed but available via phone, emails for private house inspections or enquires.
- Temporarily closed, providing some online service.
- Offering accommodation but only to essential travelers (health workers, overnight stay etc. as per regulations)
- Closed to foot traffic with staff working remotely.
- No Public Access. Staff only, but production as normal.
- Diversifying into home delivery
- Reducing opening hours because people are not around.

With the impact on normal operating hours summarised by the following response from the survey businesses:

Q1 During the COVID 19 outbreak is your business.....




Diverse and resilient business

4.1 Strengthen and diversify the local economy through investment in local jobs creation and innovation





Delivery Program actions

4.1.1 Partner with government and industry to promote strategic investment in the development of economic assets and infrastructure needed to create jobs



4.1.2 Support local enterprise through economic and industry development initiatives

OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
4.1.1.1	Implement Berrigan Shire Economic Development Plan 2017 - 2021	Economic Development Officer		100%		<p>Tocumwal Airpark land sales completed.</p> <p>* QFly project with the GMV Task force continues. Tree removals undertaken by Berrigan Shire.</p> <p>* Tourism Network Lunch planned for March and then cancelled due to COVID 19 shutdown.</p> <p>* Chamber Presidents meetings postponed in March but recommenced in June.</p> <p>* Production of the Official Visitor Guide nearing completion.</p> <p>* Membership of Murray Regional Tourism is maintained and the Tourism Managers forums attended. Online meeting commenced weekly</p>

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OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
						March, April and May and fortnightly in June * Liaising with Council Town Planner on a regular basis. Peer review of the LSPS
4.1.1.2	Develop industry profiles informed by strategic analysis of local conditions and relative competitive advantages	Economic Development Officer	Social and Health Services Profile published December 2019	50%		Industry profiles in design phase halted on 24th of March due to COVID 19 shutdown
4.1.1.3	Support collaborative planning, shared resourcing in local industry promotion of business and infrastructure development projects	Economic Development Officer		50%		Tourism Network lunch planned for March was cancelled due to COVID19 shutdown
4.1.1.4	Continue the development and marketing Tocumwal Aerodrome Industrial Precinct	Economic Development Officer		100%		Land sales complete. Further development projects at the Aerodrome are progressing. Marketing material produced to promote Tocumwal as an international Soaring destination.
4.1.2.1	Promote the development of business support groups / networks within the Shire	Economic Development Officer	Annual	100%		Working with Finley Chamber of Commerce on the development of the Finley Business Hub. Work planned for the Financial Year completed

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OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
4.1.2.2	Convene regular meetings of industry support groups and business networks in the Shire	Economic Development Officer	4	100%		The Chamber Presidents group continues to meet every two months giving the Chambers direct access to the Mayor and General Manager. These meetings are an opportunity to keep the Chambers and their members up to date on all the different projects that are currently being undertaken. The April meeting of this group was cancelled however the June meeting went ahead.
4.1.2.3	Upgrade Finley Saleyards	Director Corporate Services		25%		Subject to confirmation of funding, the Council has committed to fund approximately \$1m of works at Finley Saleyards to address Work Health and Safety concerns

4.2 Diversify and promote local tourism



Delivery Program actions


4.2.1 Implement the [Berrigan Shire Tourism Strategy](#)

4.2.2 Partner with regional Tourism Boards

OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
4.2.1.1	Invest in infrastructure that will add value to and increase the competitiveness of the Shire's Visitor Economy e.g.: Redevelopment of the Foreshore Reserve	Economic Development Officer	Business Case developed by 28 Feb 2020	100%		The Tocumwal Aviation Museum is currently being developed and the project has been committed to by the Council. Development of local parks and points of historical interest within Hayes Park in Berrigan.
			Increase Visits to Tocumwal Foreshore			
4.2.1.2	Partner with industry and other levels of government on securing investment needed for Ports of the Murray and Murray River Adventure Trail Projects	Economic Development Officer	Report Annually	100%		Murray Regional Tourism recognises the THAM project as part of the larger Ports of the Murray program. Planning is underway with the proponent of the Tocumwal Aviation Museum to have THAM included in this project.
			All Eligible Programs			

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OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
4.2.1.3	Provide support to event proponents and organisers	Economic Development Officer		75%		The Council remains committed to the Major Event Funding program. Funding that was granted to the PGA Trainees Championships and to the organisers of the Left-handed Golfers Assoc has not been accessed as the events have been postponed due to COVID19. Both events have been rescheduled for 2021.
4.2.1.4	Facilitate local industry review and update of digital content and marketing	Economic Development Officer		100%		The Sun Country on the Murray digital platform is now refreshed every quarter as part of the contract with MRTB. The Summer face of the website was the splash parks and the autumn feature was being prepared when the COVID 19 shutdown was announced. A quiz was developed on the site to encourage continued interaction with visitors to the site and has been well received with over 250 submissions.

OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
4.2.2.1	Membership of regional tourism boards established to increase visitation and economic activity in the Murray Region of NSW and Murray River towns	Economic Development Officer		100%		Active membership of Murray Regional Tourism is maintained through regular attendance at the Tourism Managers forums. The Tourism Managers group has meet via Zoom weekly and then fortnightly during the COVID19 pandemic.


4.3 Connect local, regional and national road, rail and aviation infrastructure

Delivery Program actions

4.3.1 Develop and promote Berrigan Shire regional transport and freight infrastructure






OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
4.3.1.1	Continue to advocate for the development of hardstand and serviced truck parking Tocumwal, Finley and Berrigan	Economic Development Officer	The investment case is developed	100%		There has not been a need to undertake this action however a close watch is always kept on this item and will be actioned if required.
4.3.1.2	Lobby for upgrade of rail facilities, associated with Tocumwal rail line incl. line to Shepparton and Melbourne Ports	Economic Development Officer	Funding is committed by Victorian and Commonwealth Governments	100%		There has not been a need to undertake this action however a close watch is always kept on this item and will be actioned if required.
4.3.1.3	Participate actively in efforts to upgrade Newell Highway and Midland Murray Valley highways particularly the Shepparton bypass.	Economic Development Officer	Funding is committed by Victorian and Commonwealth Governments	100%		Attended the Newell Highway Taskforce meeting via Zoom in May. The Council supported the development of the overtaking lanes on the Newell Highway south of Finley. (Now completed)

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OP Action Code	OP Action	Responsible	What will be the result	YTD Progress	Status	Comments
4.3.1.4	Operate the Tocomwal Aerodrome	Director Technical Services	Aerodrome maintains registration	100%		Aerodrome maintained and operated in accordance with CASA requirements.
			Annual Report Presented to Council on Aerodrome Operations			

Diverse and resilient business

Actions Operational Plan 2019/20

Completed	On target	Not on target	Past Due	Deferred / Not due to start	Total
					
12	-	-	-	4	16

Delivery Program Monitoring Measures: Diverse and resilient business

Indicator	Activities
Economic and industry development	Partnership with Moira Shire Council Fruit Fly Project: Tree Removal Two events for Small Business Month (Oct 2019) Developed Berrigan Shire Business and Industry Group on social media. Review and implementation of new scholarship program. Renamed Youth Futures. Familiarisation tour of Berrigan Shire for 42 staff and volunteers from surrounding Visitor Information Centres SEGRA 2019 in Barooga
Tourism and events	Tourism Network Luncheons Moira Shire, Berrigan Shire and Federation Councils – two events held, two cancelled Production of a new Official Visitor Guide Photography Shoot Video Shoot for gliding event promotion Event Partnership with CBBT – Beach Volleyball and Darts Revamp of the SCM digital platform Tocumwal Air Show 2019 Strawberry Fields 2019
Regional freight infrastructure	Advocacy Tocumwal Intermodal – Transport NSW Planning Advocacy Inland Rail Project.

Statutory Requirements

Council's Annual Report is one of the key points of its accountability between Council and its community.

It is not a report to Government but a report to the community.

And, while this Report focuses on the implementation by Council of its Delivery Program and Operational Plan 2019/20 the information in the following section includes information that is prescribed by the Local Government (General) Regulation 2005.

This information is included in the regulations that govern Local Government in New South Wales because the Government believes that it is important for communities to build their understanding of how Council is performing.

Table 1: Summary: Government Information (Public Access) Act

Reviews carried out by Council	1
Information made publicly available	1
Total Number of applications received	1
Number of Applications Refused Wholly	-
Other Public Interest considerations against disclosure – Individual rights, judicial processes and natural justice	-
Number of Applications Refused Partly	-
Timeliness – Decided within the statutory timeframe (20 days plus extensions)	Yes
Invalid Applications	Nil

Reporting Requirement: *Government Information (Public Access) Act 2009 s 125 (1) Government Information (Public Access) Regulation 2011, cl 4*

Table 2 Government Information (Public Access) Act - Number of Applications by type of applicant and outcome

	Access Granted in full	Access granted in part	Access refused in full	Information not held	Information Already available	Refuse to deal with Application	Refuse to confirm/deny	Application withdrawn	Total	% of Total
Media	-	-	-	-	-	-	-	-	-	-
Part. Members	-	-	-	-	-	-	-	-	-	-
Private Sector business	-	-	-	-	-	-	-	-	-	-
Not for Profit or Community Groups	-	-	-	-	-	-	-	-	-	-
Members of Public (Legal Represent)	-	-	-	-	-	-	-	-	-	-
Members of Public (other)	1	-	-	-	-	-	-	-	1	100%
Total	1	-	-	-	-	-	-	-	1	100%

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Table 3 Government Information (Public Access) Act - Number of Applications by type of application and outcome

	Access Granted in full	Access granted in part	Access refused in full	Information not held	Information Already available	Refuse to deal with Application	Refuse to confirm /deny	Application withdrawn	Total	% of Total
Personal Information	1	-	-	-	-	-	-	-	1	100%
Access other than personal information)	-	-	-	-	-	-	-	-	-	-
Access applications – partly personal partly other	-	-	-	-	-	-	-	-	-	-
Total	1	-	-	-	-	-	-	-	1	100%

Table 4 Government Information (Public Access) Act - Timeliness

	Number of Applications	% of Total
Decided within the statutory time frame	1	100%
Decided after 35 days (by agreement with applicant)		
Not decided within the timeframe (deemed refusal)		
Total		

Table 5 Public Interest & Disclosures Act 1994

Number of public officials who made PIDs	-
Number of PIDs received	-
Of PIDs received, number primarily about:	-
Corrupt conduct	-
Maladministration	-
Serious and substantial waste	-
Government information contravention	-
Local government pecuniary interest contravention	-
Number of PIDs finalised	-

Reporting Requirement: *Public Interest Disclosures Act 1994, s 31 Public Interest Disclosures Regulation 2011, cl 4*

Table 6: Mayor and Councillor Fees

Mayor and Councillor Fees			
Councillor	Amount \$	Mayor \$	Car Hire (Deduction) \$
M. Hannan	12,109.90	26,421.70	3,360.00
D. Morris	11,221.37		
J. Bruce	12,109.90		
C. Jones	12,109.90		
D. Glanville	12,109.90		
J. Taylor	12,109.90		
R. Bodey	12,109.90		
R. Reynoldson	10,083.24		
Total	\$93,964.01	\$26,421.70	\$3,360.00

Table 7: Senior Staff Remuneration

Senior Staff Remuneration	2019 – 2020
Number of Senior Staff	1
Package Component	0
Salary	\$213,083.00
Bonus of other payments (non-salary)	--
Superannuation (Salary sacrifice and employer contributions)	\$25,355
Value of non-cash benefits	\$4,218
Fringe benefits tax payable for no-cash benefits	\$6,086
Total Value of Contract	\$248,742

Table 8: Councillor Facilities and Expenses

Councillor Facilities and Expenses		2019 – 2020
FACILITIES		\$
Office Equipment *		15,809.25
Telephone**		–
Meals & Refreshments at meetings convened by Council		9,368.59
Council Vehicles		17,263.55
FACILITIES TOTAL		\$42,441.39
EXPENSES		
Telephone - Calls		3,493.49
Conferences & Seminars		11,325.69
Training ^		17,854.32
Interstate Travel ***		–
Spouse/partner/accompanying person expenses		–
Carer or other related expenses		–
Legal expenses		–
Subscriptions		29,847.90
Insurance		22,553.03
Local Travel		8,260.50
Travel outside the LGA		3,540.22
Miscellaneous		2,185.46
EXPENSES TOTAL		\$99,060.61
TOTAL FACILITIES AND EXPENSES		\$141,502.00

Reporting Requirement *Local Government (General) Regulation 2005* cl 217(1) (a) (a1)

* At the beginning of the new council term all councillors received iPads

** The contracts for Councilors mobile phones include a call allowance. No Councilor exceeds this allowance

^ Includes travel to training

*** Council's location on the Victorian border informs the Council's Policy on the provision of facilities and payment of expenses for Councilors. Hence it excludes trips to Victoria and the ACT from the definition of interstate.

Reporting Requirement *Local Government (General) Regulation 2005* cl 217(1)(b) – (c)

Disability Inclusion Action Plan 2017 – 2021: Progress Report

Focus Area Activities – Actions Undertaken

Building positive attitudes actions (2019/20)

Access at a Glance Project Terms of Reference Agreed and Advisory Group Established as a Partnership with Intereach Ability Links: peer assessors trained in assessing venues ongoing until halted due to COVID19

Planning for the Hosting of Tri-State Games 2020 and 2021 (Social Games: An event for Disabled Athletes representing NSW; Victoria and South Australia) – this event is now on hold due to COVID19

Dementia Friendly Community – Council customer service and Library Services staff participated in Dementia Awareness Training

Creating liveable communities actions (2019/20)

Continued implementation of Berrigan Shire Pedestrian Access and Mobility Plans – extension of accessible path network

Construction of family friendly and accessible facilities Collie Park

Redevelopment of Tocumwal Library – extension increased accessibility of the Library

Installation of new fully accessible public toilets – Railway Park, Finley and local cemeteries

Supporting access to meaningful employment actions (2019/20)

Commenced review of human resource operations

Continued liaison with workplace insurer on improving access to meaningful employment for workers injured at work or outside of work

Accessible systems, information or processes actions (2019/20)

Council continues to monitor and is implementing its online and website accessibility improvement program

Equal Employment Opportunity

In April, 2014, Council reviewed its Equal Employment Opportunity requirements under the *Local Government Act 1993, Ch. 11, Part 4*, and implemented changes that included:

- Separation and development of the Discrimination, Workplace Bullying and Harassment Policy, and the Equal Employment Opportunity Policy;
- Development of the Equal Employment Opportunity Management Plan.

The Equal Employment Opportunity Policy outlines Council's commitment to EEO practices, and responsibilities for ensuring our workplace is fair and free from discrimination.

The Equal Employment Management Plan (EEO Plan) has been designed to work in with the Berrigan Shire Council Workforce Development Plan, incorporating the provisions as outlined in the *Local Government Act 1993*, and states Council's objectives for achieving compliance and eliminating discrimination in the workplace.

The EEO Plan is a dynamic document outlining actions for Council which include:

- Ongoing policy review
- Distribution of information and awareness sessions relating to equal employment opportunity
- Ongoing position description review
- Succession planning, training opportunities and career progression for EEO target groups
- Collection of relevant EEO information

Reporting Requirement *Local Government (General) Regulation 2005 cl 217 (1) (a9)*

Table 9 Committees of Management

Committees of Management exercising functions delegated by Council
Barooga Advancement Group
Barooga Community Botanical Gardens
Barooga Recreation Reserve
Berrigan Conservation Group & Tidy Town
Berrigan Sportsground
Berrigan War Memorial Hall
Berrigan War Memorial Swimming Pool
Boomanoomana Landcare
Finley Railway Park
Finley Recreation Reserve
Finley Showground & Sporting Complex
Finley War Memorial Hall
Finley School of Arts
Finley Tidy Towns (in recess)
Fullers Road Landcare
Finley Log Cabin Museum and Mary Lawson Wayside Rest
Native Dog Landcare Group
Retreat Public Hall
Tocumwal Foreshore
Tocumwal Friends of the Library Group
Tocumwal Historic Aerodrome Museum
Tocumwal Rail Preservation
Tocumwal Recreation Reserve
Tocumwal Swimming Pool
Tocumwal War Memorial Hall

Reporting Requirement *Local Government (General) Regulation 2005 cl 217 (1) (a6)*

Table 10 Partnerships, Cooperatives or Other Joint Ventures

Partnerships, Co-operatives or Other Joint Ventures	Role	Purpose
StateCover Mutual	Member	General mutual-insurance pool
Statewide Mutual	Member	Workers compensation mutual-insurance pool
Riverina and Murray Joint Organisation (RAMJO)	Organisation Member	Local Government Service Coordination and regional advocacy
Local Government NSW	Organisation Member	Local Government Sector Peak Body: high level intergovernmental advocacy, procurement and strategic support
Central Murray County Council	Constituted Member	Control of noxious weeds Berrigan, Edward River and Murray River Councils
Murray Regional Tourism Board	Member	Regional tourism promotion and development
South West Arts	Member	Promotion and development of the Arts
Local Government Superannuation Scheme (LG Super)	Participating Employer	Complying superannuation scheme

Reporting Requirement *Local Government (General) Regulation 2005 cl 217 (1) (a8)*

Table 11 Section 67 Works carried out on Private Land

Summary Resolutions Section 67 – Works carried out on Private Land
Nil

Reporting Requirement *Local Government (General) Regulation 2005 cl 217 (1) (a4)*

Table 12 Statement of Corporations, Partnerships and Trusts

Statement of all corporations, partnerships, trusts, joint ventures, syndicates or other bodies in which council held a controlling interest
Nil

Reporting Requirement *Local Government (General) Regulation 2005 cl 217 (1) (a7)*

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Table 13 Section 356 Grants and Contributions

Organisation	Purpose	\$
Rural Fire Fund	Fire Services	70,969
Board of Fire	Fire Services	12,289
NSW SES	Fire Services	111,526
South West Arts	Cultural Plan Activity	9,092
Murray Regional Tourism	Tourism & Area Promotion	14,673
RAMJO	Inter-Council Collaboration	17,389

Reporting Requirement *Local Government (General) Regulation 2005. cl 217 (1) (a5) & Act Sec 356*

The following summary includes the amount, costs and expenses paid or received by way of out of Court settlements, other than those the terms of which are not to be disclosed in addition to a summary of the status of each legal proceeding and the result (if finalized) for the 12-monthly period 1 July 2019 to 30 June 2020. NB: Current financial year costs incurred include costs for Matters not yet finalised.

Table 14 Legal Proceedings

Legal Proceedings				
Details of Legal Proceedings	Amount Incurred	Amount Recovered	State of Progress	Result
40	\$17,560.82	\$27,702.86	-	N/A

Reporting Requirement *Local Government (General) Regulation 2005 cl 217 (1) (a3)*

The follow table is a summary of routine legal action taken for the collections of outstanding debt.

Table 15 Debt Recovery

Debt Recovery (Outstanding Rates and Charges)		
	Number	\$ Cost
No. of Summons	20	\$ 10,008.36
No. of Other Legal Action	20	\$ 5,691.70
Total	40	\$ 18,116.62*

* Carry over from previous financial year

Reporting Requirement *Local Government (General) Regulation 2005 cl 217 (1) (a3)*

Table 16 Rates and Charges Written Off

Rates and Charges Written Off	\$
Ordinary/General Rates / Interest	\$292.35
Annual Water Charges / Interest	\$108.94
Water Consumption Charges / Interest	\$1,202.51
Annual Sewer / Pedestal Charges / Interest	\$1,642.81
Garbage / Domestic Waste Charges / Interest	\$145.66
Stormwater / Drainage Charges / Interest	\$355.45
Interest / Legal & Other Charges	-
Total	\$3,748.30

Reporting Requirement *Local Government (General) Regulation 2005 cl 132*

Table 17 Swimming Pool Inspections

Swimming Pool Inspections	
Tourist and visitor accommodation	12
Premises with more than two dwellings	1
certificate of compliance under s22D of the SP Act	10
certificate of non-compliance under cl 21 SP Reg	6

Reporting Requirement *Swimming Pools Act 1992 (SP Act), s 22F(2) Swimming Pools Regulation 2018 (SP Reg) cl 23*

Table 18 Animal Control

	NUMBER
Total Dogs Seized	61
Dogs returned to owner	10
Dogs impounded	54
Dogs released	18
Dogs Sold	2
Dogs Released to organisations to rehome	18
Dogs Euthanized – Unable to rehome	34
Cats impounded	22
Cats returned to owner	3
Cats sold	0
Cats euthanized – Unable to rehome	21
Penalty Infringement Notices Issued – COMP. ANIMALS	22
Penalty Infringement Notices Issued – LIVESTOCK	6
Reportable Dog Attacks	5
Dangerous Dog Declarations	0
Off-Leash Areas in the Shire:	2
Community Education Programs as required Council Bulletin	Info on Council Social Media & Web
De-sexed animals attract a reduced registration fee	
EXPENSE	\$
Companion Animal and Livestock Impounding – Staff Salaries	80,128.50
Companion Animal and Livestock Impounding – Vehicle operating costs	19,851.58
Companion Animal and Livestock Impounding – Telephone expenses	1,439.98
Dog Food Expenses	1,529.02
Government Registrations and levies	15,473.00
Other Operating Expenses	3,821.14
Capital Works Improvements to Pound Facility	114,561.08
INCOME	
Companion Animal Registration Fee Reimbursement	12,747.60
Penalty Notices – Fines Received	18,804.18

Reporting Requirement Clause 217(1) (f) of the NSW *Local Government (General) Regulation 2005*

Council's *Asset Management Strategy* 2019 – 2029 assists Council monitor the delivery of services from Council infrastructure including:

roads, bridges, footpaths, stormwater drainage, and flood protection levees; corporate and council community service facilities - parks , reserves, pools, libraries, halls and other council buildings; commercial facilities – caravan parks, sale yards, quarries and aerodrome; waste management, sewerage, water distribution and supply.

Council assets also include plant and Council business operations technology and systems.

As at 30 June 2020 Council's infrastructure assets have a replacement value \$ 383,189.00.

We use the *Asset Management Strategy* to show:

- How its asset portfolio will meet the service delivery needs of its community into the future,
- What Council's asset management policies are to be achieved, and to
- Ensure the integration of Council's asset management with [Berrigan Shire 2027](#) our communities' and Council's long term strategic plan

Each year Council in its Annual Report provides a snapshot of its capital works program, the assessed value and condition of Council assets and contracts awarded by Council to build, maintain or plan new assets

STATE OF OUR ASSETS

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Contracts – includes Contracts over \$150,000		
Name and address of Contractor	Contract description	Tendered amount (including GST)
Peterworth Pty Ltd T/A 359 Transport Trust 66 Barooga Street Berrigan NSW 2712	T01/19/20 Annual Plant Hire	Schedule of Rates
Ezyquip Hire Pty Ltd 32 Purvis Lane Dubbo NSW 2830	T01/19/20 Annual Plant Hire	Schedule of Rates
Fenhill Pty Ltd 36-40 Dean Street Tocumwal NSW 2714	T01/19/20 Annual Plant Hire	Schedule of Rates
Foxys Backhoe Service 26-40 Brunner Street Berrigan NSW 2712	T01/19/20 Annual Plant Hire	Schedule of Rates
Luxton Plant 5 Advantage Drive Dandenong VIC 3175	T01/19/20 Annual Plant Hire	Schedule of Rates
Miller Pipe and Civil Pty Ltd 8 Schubert Street Cobram VIC 3644	T01/19/20 Annual Plant Hire	Schedule of Rates
Murray River Slashing 116 Kennedy Street Howlong NSW 2643	T01/19/20 Annual Plant Hire	Schedule of Rates
Necam Pty Ltd 199 Jerilderie Street Berrigan NSW 2712	T01/19/20 Annual Plant Hire	Schedule of Rates
O'Loughlin Excavations 774 Campbell Road Muckatah VIC 3644	T01/19/20 Annual Plant Hire	Schedule of Rates
Porter Excavations 5110 Colac-Ballarat Road Cambrian VIC 3352	T01/19/20 Annual Plant Hire	Schedule of Rates
Riverina Stabilisers Pty Ltd 381 Murray Street Hay NSW 2711	T01/19/20 Annual Plant Hire	Schedule of Rates
Rollers Australia 14B Lawson Street Wagga Wagga NSW 2650	T01/19/20 Annual Plant Hire	Schedule of Rates
RSP Environmental Services 994 Wellington Street Strathfieldsaye VIC 3551	T01/19/20 Annual Plant Hire	Schedule of Rates
SE & ST Little Pty Ltd 29 Plant Street Shepparton VIC 3630	T01/19/20 Annual Plant Hire	Schedule of Rates
Stabilco Pty Ltd 26 Irwin Road Benalla VIC 3672	T01/19/20 Annual Plant Hire	Schedule of Rates

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Contracts – includes Contracts over \$150,000		
Name and address of Contractor	Contract description	Tendered amount (including GST)
Tribuzi Transport Pty Ltd 26 Waverly Road Berrigan NSW 2712	T01/19/20 Annual Plant Hire	Schedule of Rates
Toxfree 2/9 Romet Road Wodonga VIC 3690	T01/19/20 Annual Plant Hire	Schedule of Rates
Yellow Hire Pty Ltd 2 Shephard Road Swan Hill VIC 3585	T01/19/20 Annual Plant Hire	Schedule of Rates
Andrew Goldman Excavations Pty Ltd 1843 Murray Valley Hwy Burramine VIC 3730	T02/19/20 Supply of Quarry Products	Schedule of Rates
Burgees Earthmoving 147 Hammond Avenue Wagga Wagga NSW 2650	T02/19/20 Supply of Quarry Products	Schedule of Rates
CJ BB Lawrence Pty Ltd 32 Stevenson Court Yarrowonga VIC 3730	T02/19/20 Supply of Quarry Products	Schedule of Rates
E.B Mawson 141 King George Street Cohuna VIC 3568	T02/19/20 Supply of Quarry Products	Schedule of Rates
Cobram Data and Electrical Services 30 Dillon Street Cobram VIC 3644	T03/19/20 Supply of Electrical Services	Schedule of Rates
RW Purtle Pty Ltd 14 Lang Street Mulwala NSW 2647	T03/19/20 Supply of Electrical Services	Schedule of Rates
PA JL Scott 5 McNamara Street Finley NSW 2713	T03/19/20 Supply of Electrical Services	Schedule of Rates
Advance Sweepers Pty Ltd 1/11 Nevin Close Gateshead NSW 2290	T01/19/20 Annual Plant Hire	Schedule of Rates
Andrew Goldman Excavations Pty Ltd PO Box 428 Cobram VIC 3644	T01/19/20 Annual Plant Hire	Schedule of Rates
Bencon Civil Construction Pty Ltd 98 Broadway Street Cobram VIC 3644	T01/19/20 Annual Plant Hire	Schedule of Rates
Berrigan Water Cartage 66 Barooga Street Berrigan NSW 2712	T01/19/20 Annual Plant Hire	Schedule of Rates
Curry Power Pty Ltd 5 Ponda Rosa Road Tamworth NSW 2340	T01/19/20 Annual Plant Hire	Schedule of Rates

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Contracts – includes Contracts over \$150,000

Name and address of Contractor	Contract description	Tendered amount (including GST)
Drainflow Solutions Pty Ltd 12 Adi Avenue Mulwala NSW 2647	T01/19/20 Annual Plant Hire	Schedule of Rates
Murray Valley Locating & Electrical 14 Sturt Street Cobram VIC 3644	T03/19/20 Supply of Electrical Services	Schedule of Rates
Stabilco Pty Ltd 26 Irwin Road Benalla VIC 3672	T04/19/20 Stabilisation	Schedule of Rates
Kennedy Builders Shop 6, 97-103 Melbourne Street Mulwala NSW 2647	T08/18/19 Design and Construction	\$225,300.00
Precise Build Pty Ltd 166 Napier Street Deniliquin NSW 2710	T07/19/20 Design and Construction of Tocumwal Netball Club Rooms	\$416,011.32
Downer EDI Works Pty Ltd 1 Unwin Street Rosehill NSW 2142	T05/19/20 Cut-Back Bitumen	Schedule of Rates \$644,661.18 (Est. value)
MS Constructions 36-40 Dean Street Tocumwal NSW 2714	T09/19/20 Finley War Memorial Swimming Pool Redevelopment	\$410,870.00
Crawford Civil Pty Ltd 36-40 Dean Street Tocumwal NSW 2714	T10/19/20 Upgrade Works and Footpath Construction, Levee Bank, Bridge Street, Tocumwal	\$200,363.52
Crawford Civil Pty Ltd 36-40 Dean Street Tocumwal NSW 2714	T11/19/20 Apex & Hayes Park Redevelopment, Jerilderie & Davis Streets, Berrigan	\$201,917.94
Alliance Automation Unit 1/18-22 Alexandra Place Murarrie QLD 4171	MQ07/19/20 Scada Upgrade Stage 1	\$155,598.30

Reporting Requirement *Local Government (General) Regulation 2005 cl 217 (1) (a2)*

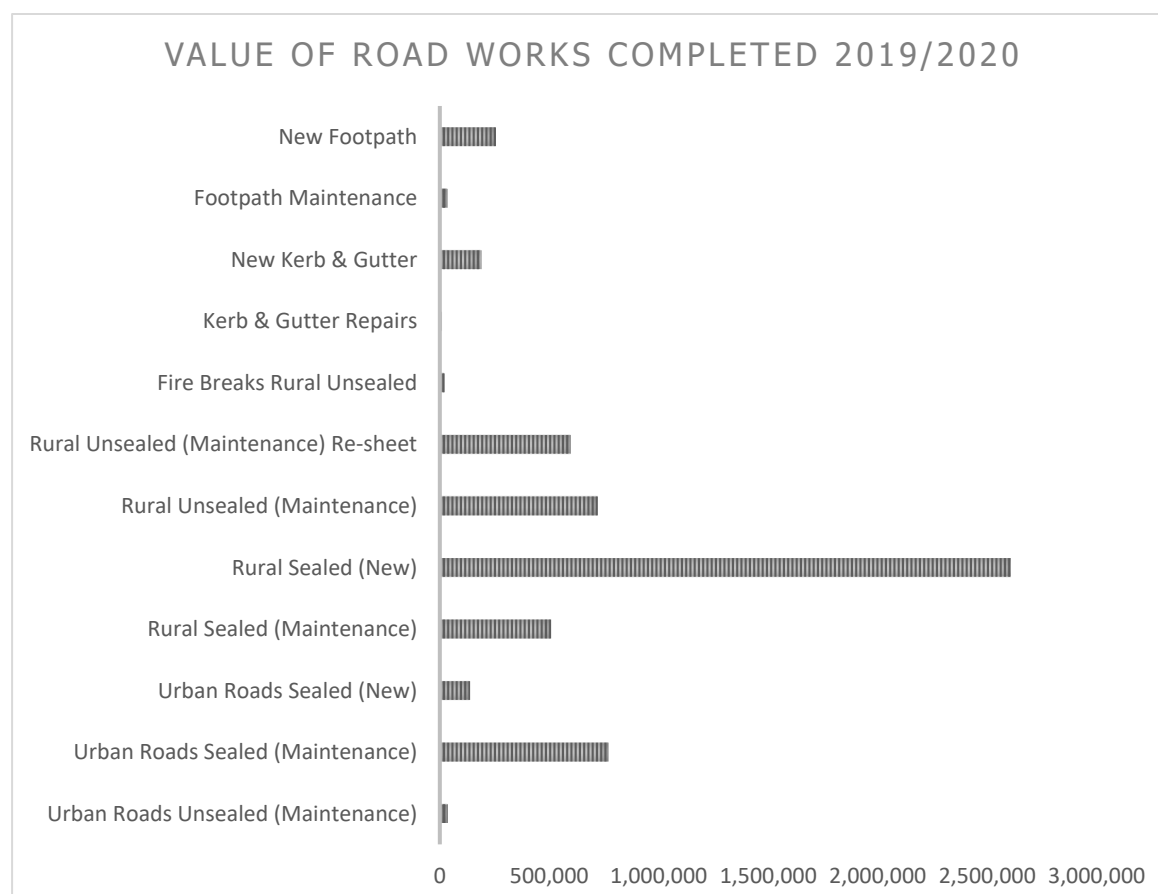
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Council in the past year has continued its commitment to maintain our road and footpath network to a high standard

Table 19 Value of Road Works Completed

Value of Road Works Completed		\$
Urban Roads Unsealed (Maintenance)		36,117
Urban Roads Sealed (Maintenance)		771,400
Urban Roads Sealed (New)		138,849
Rural Sealed (Maintenance)		508,490
Rural Sealed (New)		2,607,161
Rural Unsealed (Maintenance)		721,207
Rural Unsealed (Maintenance) Re-sheet		597,606
Fire Breaks Rural Unsealed		21,922
Kerb & Gutter Repairs		9,918
New Kerb & Gutter		190,075
Footpath Maintenance		34,709
New Footpath		256,312
Total		5,893,766

Figure 1 Value of Road Works Completed



Water and Sewer

No major capital items were completed in the 19/20 financial year although there were a number of significant smaller asset renewal projects as follows:

Table 10 Water Services Asset Renewals

Water Services Asset Renewals	\$
Barooga Water Mains	48,555
Berrigan Water Mains	99,218
Finley Water Mains	51,926
Tocumwal Water Mains	68,661
Sub -Total	268,360
Pump Replacement	11,800
Value of Water Asset Renewal Works	280,160

Table 21 Sewer Services Renewals

Sewer Services Asset Renewal Projects	\$
Telemetry	4,233
Pump Replacement	16,890
Tocumwal Sewer Mains	267,525
Value of Sewer Asset Renewal Works	288,648

Council operates two business units - its water supply service and its sewer service. Each service is required to raise sufficient fund from its own activities to fund its operation.

The water supply service made an operating surplus of \$1.2m in 2019/20 which is consistent with the 2018/19 result.

The Council's sewer service made a moderate operating deficit of \$153,000 an increase from the \$80,000 deficit in 2018/19. The increase in the deficit is largely due to smaller returns made on investment of funds held in reserve for future works with costs remaining stable. While the deficit is moderate, it has grown from 2018/19 and will need to be monitored carefully going forward.

Stormwater Management Plan – Statement of Works 2019 – 2020

Table 22 Major Stormwater Works Completed

Major Stormwater Works Completed	\$
Denison Street, Finley	193,095
Barooga Street & Orr Street, Berrigan	39,961
Scoullar Street, Finley	127,887
Value of Works undertaken	\$360,943

Reporting Requirement *Local Government (General) Regulation 2005 cl 217 (1) (e)*

FINANCIAL MANAGEMENT

After Capital Grants and Contributions the Berrigan Shire Council generated a small surplus for the 2019/20 financial year.

This report provides a brief overview of Council's revenue and expenditure.

Detailed information is included in the Council's audited financial statements which are the final part of this report

After Capital Grants and Contributions the Berrigan Shire Council generated a small surplus for the 2019/20 financial year.

This report provides a brief overview of Council's revenue and expenditure.

Detailed information is included in the Council's audited financial statements which are the final part of this report

Financial Performance

Table 23 Financial Performance

	2016/17	2017/18	2018/19	2019/20
Revenue	\$23.9 m	\$24.8 m	\$24.9 m	\$26.5 m
Expenditure	\$18.0 m	\$18.5 m	\$20.8 m	\$22.1 m
Surplus	\$ 5.9 m	\$ 7.4 m	\$ 4.1 m	\$ 4.4 m
Surplus before Capital grants & Contributions	\$3.3 m	\$4.6 m ⁽¹⁾	\$0.5 m	\$0.7 m

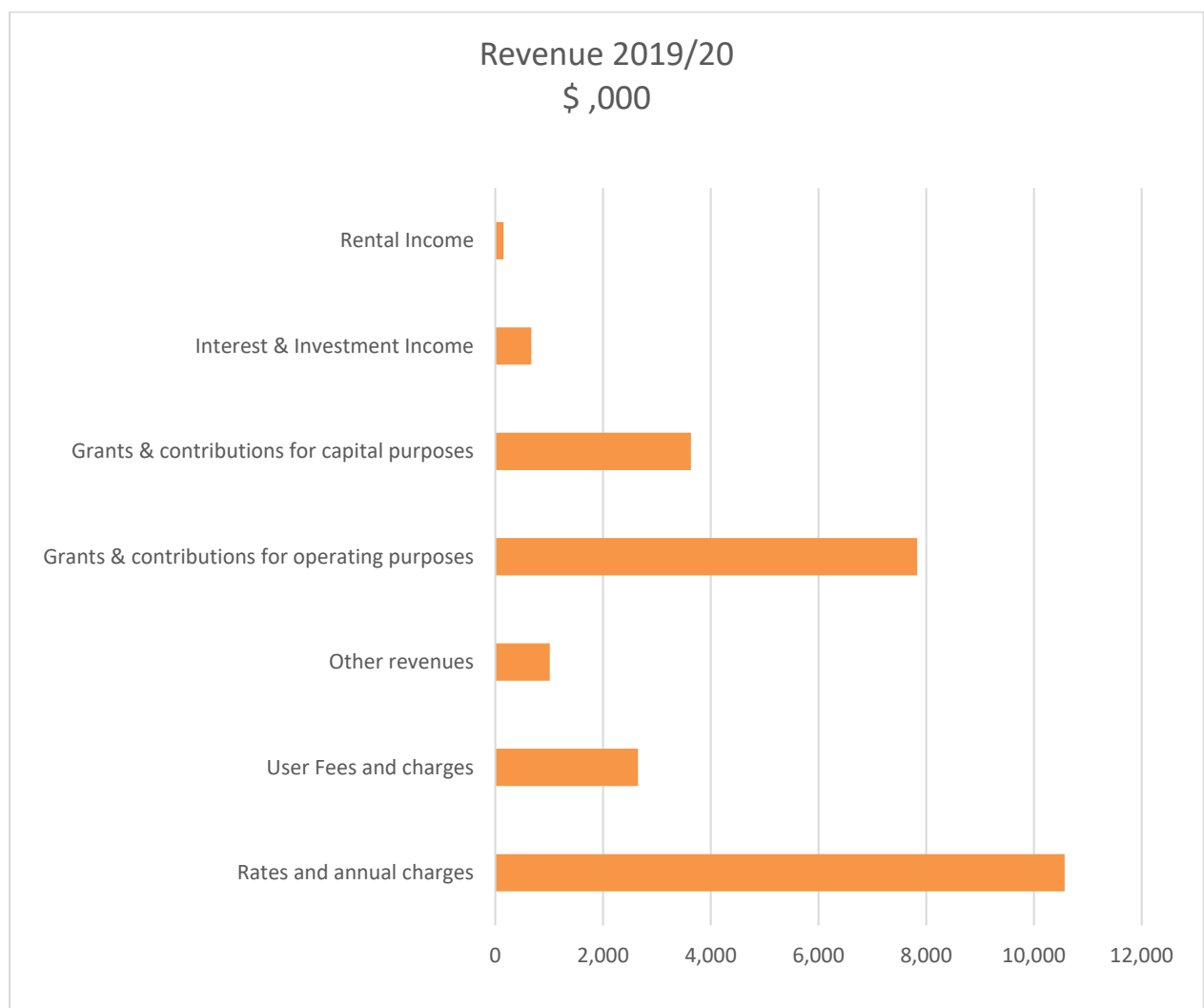
Notes: Financial Assistance Grants (FAG) Timing of payments
 Note 1: 2017/18 Payments in advance recommenced (\$ 2.5m)

Where did the money come from?

The total of annual rates and charges contributes to 40% of total consolidated revenues. The balance is made up of user charges, government grants, interest and developer contributions.

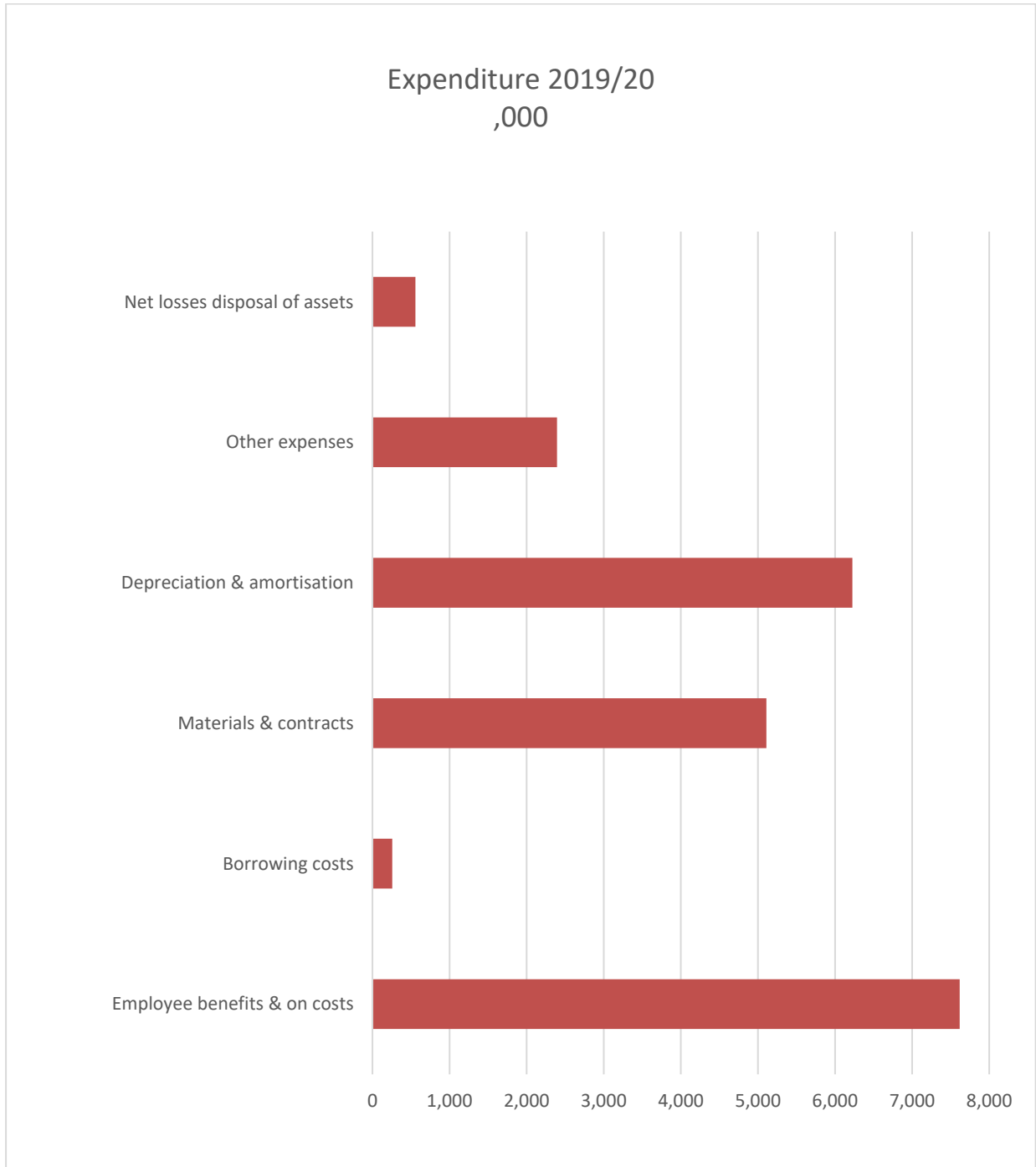
After council rates, charges and interest operating grants (including an advance payment of the FAG) and contributions are the next most important source of revenue.

Figure 2 Breakdown of Revenue



Expenses – How was the money spent?

Figure 3 Expenditure



Balance Sheet

Council's balance sheet describes what it owns and owes to relevant stakeholders which, when taken together determines the net wealth of the community.

The increase in the Council's net asset (equity) position is due to Council's operating surplus of \$7.4m plus the revaluation of pre-existing assets net \$ 5.7m. Most of the Council's assets are roads and associated infrastructure.

Table 24 Balance Sheet

	2015/16	2016/17	2017/18	2018/19	2019/20
Assets	\$241.2 m	\$254.2 m	\$275.5 m	\$285.0 m	\$343.3m
Less Liability	\$5.5 m	\$5.1 m	\$5.1 m	\$4.8 m	\$7.8m
Equity	\$235.7 m	\$249.1 m	\$270.3 m	\$280.2 m	\$335.5m

* To account for revaluation of assets 2014/15 restated from previous report

Assets & Liabilities

Table 25 Assets and Liabilities

ASSET	%
Infrastructure, Property, Plant and Equipment	88.2
Investments	7.9
Cash and Cash equivalents	3.3
Receivables	0.5
Inventories	0.1
Other	0.0

Cash assets include the Council's bank deposits, term deposits, managed funds and other cash holdings held for future use.

Receivables are the funds owed to the Council by other parties, including ratepayers, government departments and other organisations.

Inventories include the goods held by the Council for use in its operations such as gravel, pipes and the like as well as developed land held for sale.

LIABILITIES	%
Provisions	43.4
Payables	25.3
Borrowings	23.4
Income in Advance	-
Contract Liabilities	8.0

Provisions cover the amounts put aside by the Council for future commitments such as employee entitlements (annual leave, etc.) and remediation of the Council's tips and quarries. Payables are amounts that the Council owes other parties and including government departments and suppliers. It also accounts for rates and charges paid in advance. Borrowings include those amounts borrowed by the Council to fund investments in community assets. Income in Advance is prepayments on rates yet to be levied.

Council's Liquidity, Cash and Investments

Liquidity ratios are used to assess the adequacy of working capital and the Council's ability to satisfy its obligations in the short term. The liquidity ratios indicate that the Council has the ability to pay its debts as and when they fall due. The stability of the ratios indicates the strength of Council's position and are consistent with the strong liquidity position of prior years. A 1-1 or better ratio tells us that Council has sufficient funds to meet its commitments and maintain cash flow.

Table 26 Cash and Investment Balances

	2015/16	2016/17	2017/18	2018/19	2019/20
Unrestricted Current Ratio	4.19	7.05	7.24	6.79	4.33
Cash & Investment Balances	\$21.3 m	\$23.7 m	\$28.7m ⁽¹⁾	\$35.4 m#	\$38.3

Note 1: Includes \$2.2 m advance payment of Financial Assistance Grant

Includes \$2.5 m advance payment of Financial Assistance Grant

Council's Debt Strategy

Council actively manages its level of debt while making judicious use of borrowed funds where appropriate to improve its community infrastructure.

Council will borrow where:

1. A financial return can be made on the asset - such as in water and sewer infrastructure or in property development, or
2. Where the return on investment (financial or otherwise) justifies borrowing to bring forward a desired project.

As at 30 June 2020, the Council had two loans:

1. **\$1.63m** over a 10-year term drawn down in 2014/15 to fund essential stormwater drainage works in Berrigan, Finley and Tocumwal. The interest payable is subsidised by the NSW Government under the Local Infrastructure Renewal Scheme (LIRS)
2. **\$1m** over a 10-year term drawn down in 2019/20 to fund residential land development and associated open space in Finley. The interest payable is subsidised by the NSW Government under the Low Cost Loans Initiative (LCLI).

All borrowings by Berrigan Shire Council are fixed interest loans with monthly payments of principal and interest.

Water and Sewer Funds

Council operates two business units - its water supply service and its sewer service. Each service is required to raise sufficient fund from its own activities to fund its operation.

The water supply service made an operating surplus of \$1.2m in 2019/20 which is consistent with the 2018/19 result.

The Council's sewer service made a moderate operating deficit of \$153, an increase from the \$80,000 deficit in 2018/19. The increase in the deficit is largely due to smaller returns made on investment of funds held in reserve for future works with costs remaining stable. While the deficit is moderate, it has grown from 2018/19 and will need to be monitored carefully going forward.

Audited Financial Statements

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General Purpose Statements 2019 - 2020

Special Purpose Statements 2019 - 2020

Special Schedules 2019 - 2020

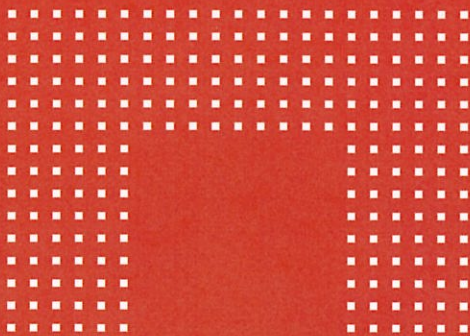
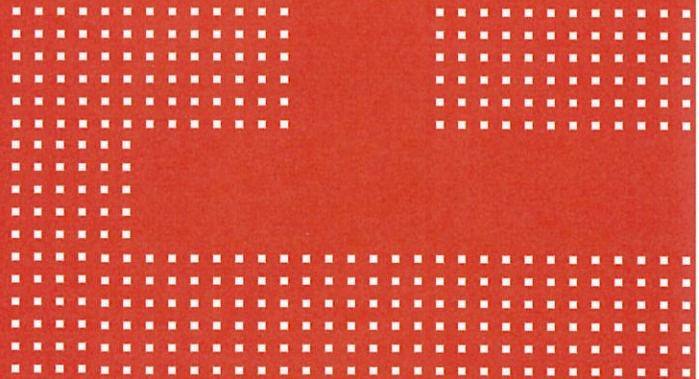
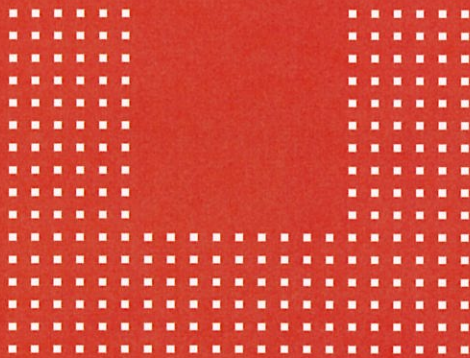
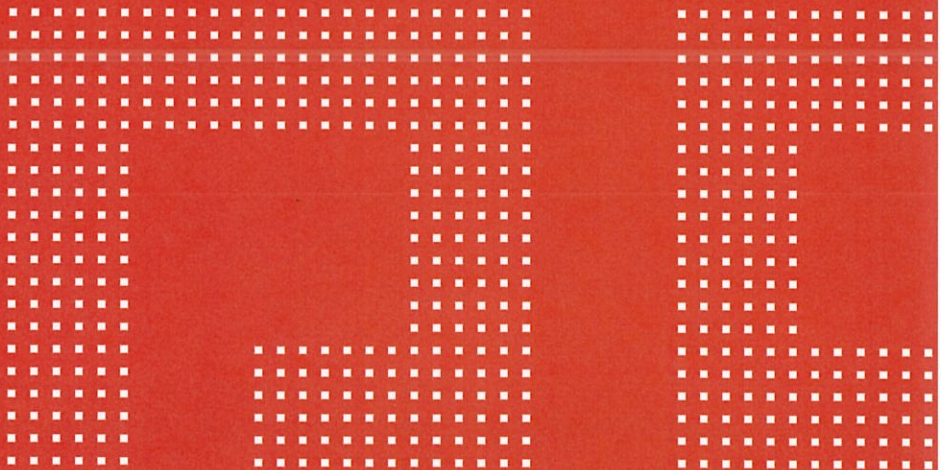
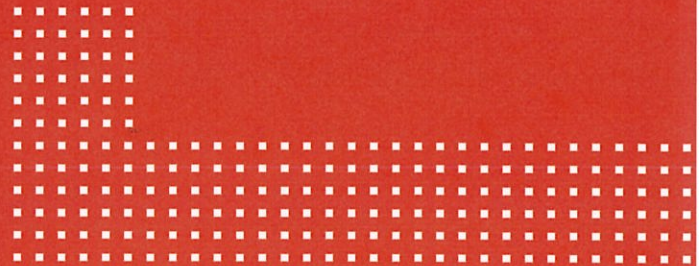
habitat planning

Development Application

Mulwala-Barooga Road, Boomanoomana

Subdivision (boundary realignment)

August 2020



TOWN PLANNING + URBAN DESIGN CONSULTANTS



Prepared for:

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Planning
Institute
Australia

Document Control

Version	Comments	Author	Date
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Attachments

- A. Plan of re-subdivision
- B. DPE advice on interpretation of Clause 9 of the Rural Lands SEPP
- C. Murray REP No. 2 Compliance Table
- D. Statement of Environmental Effects

1. Introduction

This Planning Report is submitted to Berrigan Shire Council in support of a Development Application for the re-subdivision of two rural lots on the corner of Stillards and Mulwala-Barooga Roads, Boomanoomana.

The subject land is zoned RU1 Primary Production pursuant to the *Berrigan Local Environmental Plan 2013* (BLEP). The subdivision is permissible with the consent of Council in the RU1 zone subject to compliance with the relevant provisions.

This report has been prepared to address the application requirements of the *Environmental Planning and Assessment Act 1979* (EP&A Act), the BLEP and the *Berrigan Development Control Plan 2014* (BDPC) in regard to a Development Application for subdivision. In addition, as is required by the *Environmental Planning and Assessment Regulation 2000* (EP&A Regulation) the report also includes a Statement of Environmental Effects (SEE) to assess the environmental impacts of the proposal.

This report will demonstrate that the proposal is generally consistent with the relevant planning instruments and thereby provide Council with the confidence to grant development consent for the proposed subdivision.

2. Site & context description

The subject land is located at the intersection of Stillards Road, approximately seven kilometres to the east of Barooga and 25 kilometres west of Mulwala (see **Figure 1**). It is described as Lot 97 in DP 752280 and Lot 1 DP720268 and is addressed as 2521 Mulwala-Barooga Road, Boomanoomana (see **Figure 2**).

Lot 97 is a rectangular shaped lot with frontage to both Mulwala-Barooga Road and Stillards Road. It has an area of 174 hectares and contains a dwelling and shedding typical of a farm towards the north west corner. The lot is used for broad acre agriculture (principally cropping) with the exception of the curtilage of the dwelling and two relatively small stands of trees on the Stillards Road boundary and on the eastern boundary. The lot has access to irrigation water a channel coming from the south.

Lot 1 is a closed road, hence it is long and very narrow in configuration with an area of just 3.4 hectares. It shares its entire western boundary with Lot 97 and has a narrow 20 metre frontage to Mulwala-Barooga Road.

Access to the subject land (including the dwelling on Lot 97) is via Mulwala-Barooga Road, which is sealed road constructed to a rural road standard and in good condition. Stillards Road is unconstructed but contains an informal roadway.

The surrounding area is used for the same purpose as the subject land.

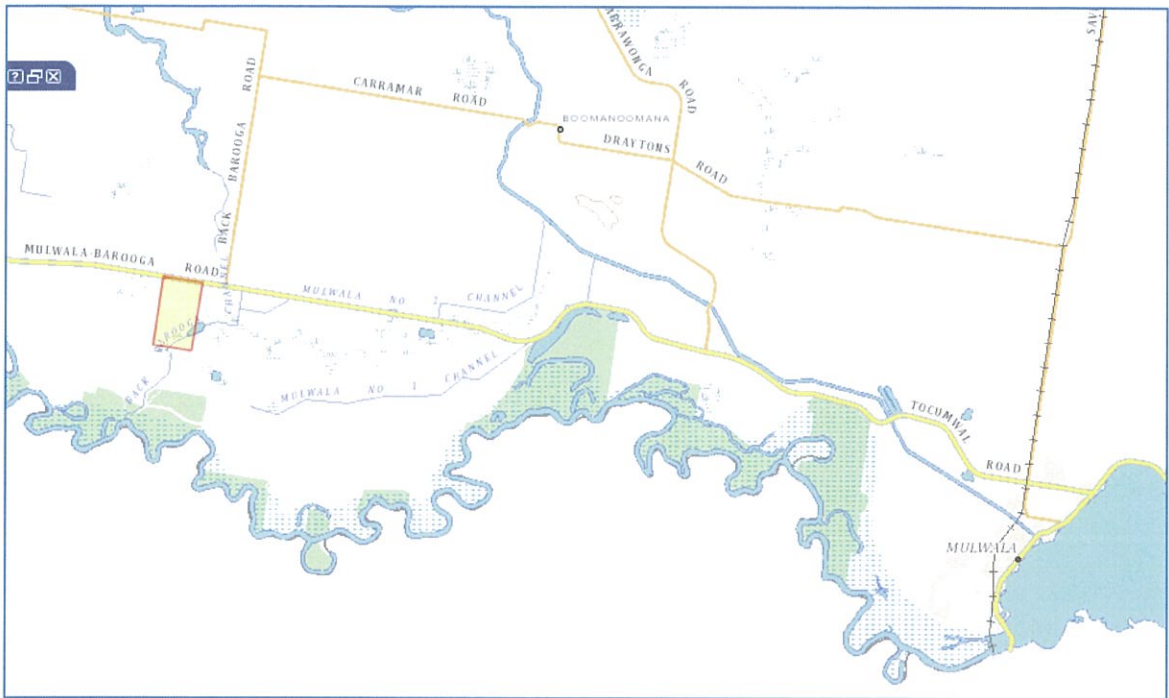


Figure 1 Location of the subject land within the context of Mulwala (Source: SIX Maps).

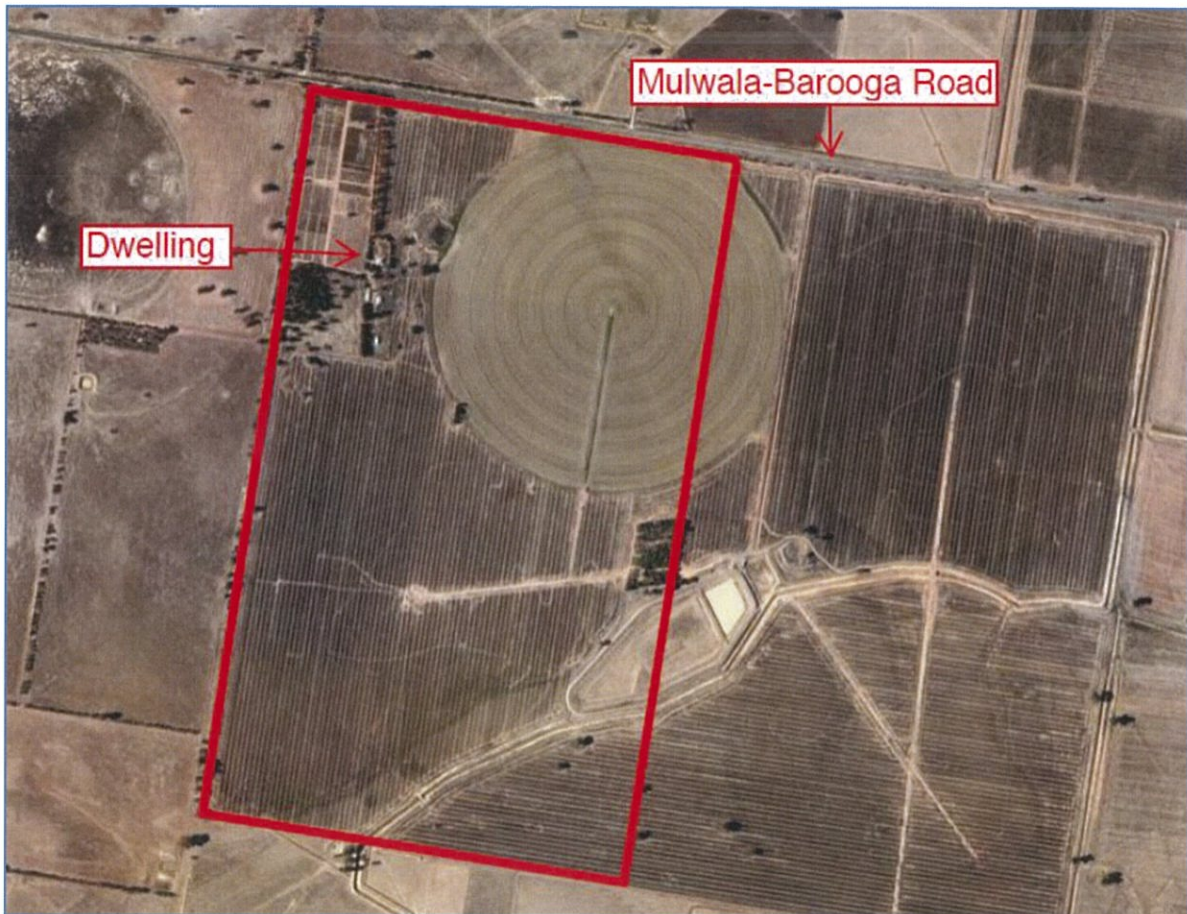


Figure 2 Aerial view of the subject land (red outline) within the context of its immediate surrounds (Source: nearmap).

3. Description of proposal

The application seeks to re-subdivide the two lots making up the subject land to create two new lots of 25 hectares (Lot 1) and 152 hectares (Lot 2). The proposed lot configuration is shown in **Figure 3**. Larger scale plans of the existing and proposed lot configuration are provided in **Attachment A**.

The purpose of the subdivision is succession planning for the current landowner.



Figure 3 Plan of proposed re-subdivision (Source: nearmap).

Proposed Lot 1 will retain the existing dwelling and sheds on the subject land and the access from Mulwala-Barooga Road. The stand of remnant vegetation on the Stillards Road boundary will also remain in this lot and consequently reduce the risk of it being removed for the purposes of agriculture.

Proposed Lot 2 will retain the bulk of the subject land that is being used for agriculture, including rural infrastructure such as the irrigation channel and pivot irrigator. The lot retains a substantial frontage to Barooga-Mulwala Road.

The proposal will not result in the fragmentation of rural land through subdivision because the current arrangement of two lots with one dwelling will remain. Likewise, it will not result in a loss of agricultural land through construction of an additional dwelling as the planning provisions relied upon for the application will prevent it.

4. Matters for consideration

The application requires consideration of the following matters.

4.1 Legislative framework

The following legislation has an influence on assessment of the application.

4.1.1 Environmental Planning & Assessment Act 1979

Under the provisions of Section 4.15 of the EP&A Act, in determining a development application, a consent authority (in this case Council) is to take into consideration such of the matters in **Table 1** as are of relevance to the development the subject of the development application.

Table 1: Matters for consideration under Section 4.15 of the EP&A Act

Matter for consideration	Reference in report
(a) The provisions of:	
(i) any environmental planning instrument, and	Sections 4.2 & 4.3
(ii) any proposed instrument that is or has been the subject of public consultation under this Act and that has been notified to the consent authority (unless the Director-General has notified the consent authority that they making of the proposed instrument has been deferred indefinitely or has not been approved), and	None as there are no proposed instruments.
(iii) any development control plan, and	Section 4.4
(iv) any planning agreement that has been entered into under section 93F, or any draft planning agreement that a development has offered to enter into under section 93F, and	None as there are no planning agreements.
(v) the regulations (to the extent that they prescribe matter for the purposes of this paragraph), and	None as there are no relevant regulations.
(vi) any coastal zone management plan (within the meaning of the Coastal Protection Act 1979),	None as there is no Coastal Management Plan.
that apply to the land to which the development application relates,	

Matter for consideration	Reference in report
(b) the likely impacts of that development, including environmental impacts on both the natural and built environments, and social and economic impacts in the locality,	Section 5
(c) the suitability of the site for the development,	Sections 2 & 3.
(d) any submissions made in accordance with this Act or the regulations,	Submissions will be called for if the application is advertised, notified and referred.
(e) the public interest	There are no matters of public interest.

4.1.2 Rural Fires Act 1997

A small portion of the subject land in the north east corner is mapped as having vegetation that constitutes a bush fire risk (see **Figure 5**). In addition to this area actually being devoid of vegetation and located some distance from the existing dwelling, a Bush Fire Safety Authority (BFSA) is not required from the RFS under section 100B of the *Rural Fires Act 1997* as the proposal is neither a residential subdivision or by definition, a Special Fire Protection Purpose.



Figure 5: Area of mapped bush fire risk within the subject land (Source: ePlanning)

4.2 State Environmental Planning Policies

There are a number of SEPP's relevant to the proposal.

4.2.1 Koala habitat protection

State Environmental Planning Policy (Koala Habitat Protection) 2019 commenced on 1 March 2020 and replaces the previous instrument. Whilst Berrigan is one of the Councils to which this SEPP applies, the subject land is not located within the Koala Development Application Map. Consequently, Council is not prevented from granting consent so long as it is satisfied that the land is not 'core koala habitat'. Having regard for the history of the site, its current circumstances and lack of any koala sightings in the area, it is not considered to represent 'core koala habitat'.

4.2.2 Remediation of land

State Environmental Planning Policy No 55—Remediation of Land requires Council to consider the potential for any land proposed for development to be contaminated. The land use history of the subject land post European settlement is one of broad acre agriculture. This activity places the land at a low risk of potential contamination. In addition, there is no visible evidence of sites within the subject land that have been used for an activity other than broad acre agriculture (e.g. a sheep dip, fuel storage, etc) that may have led to soil contamination. Consequently, Council can be satisfied that further investigation of the land for potential contamination under SEPP55 is not warranted.

4.2.3 Riverine land

The subject land falls within the area to which *Murray Regional Environmental Plan No 2 – Riverine Land* (MREP) applies. The aims of the MREP are to conserve and enhance the riverine environment of the River Murray for the benefit of all users. The objectives of MREP are:

- a) to ensure that appropriate consideration is given to development with the potential to adversely affect the riverine environment of the River Murray;
- b) to establish a consistent and coordinated approach to environmental planning and assessment along the River Murray; and
- c) to conserve and promote the better management of the natural and cultural heritage values of the riverine environment of the River Murray.

MREP requires Council to take into account a number of general and specific principles when considering development proposals to which the plan applies. These are addressed in **Attachment C** and conclude that the subdivision does not conflict with the principles of the MREP.

4.3 Local Environmental Plan

The *Berrigan Local Environmental Plan 2013* (BLEP) applies to the proposed development. The provisions of the LEP relevant to the proposal include:

- Clause 2.3 – Zone objectives
- Clause 2.6 – Subdivision

- Clause 4.1 - Minimum subdivision lot size
- Clause 4.2 - Rural subdivision
- Clause 6.2 – Flood planning
- Clause 6.3 – Terrestrial biodiversity
- Clause 6.10 – Essential services

The above matters are addressed in the following sections.

4.3.1 Zone objectives & Land Use Table

Clause 2.3 of the BLEP requires Council to “*have regard to the objectives for development in a zone when determining a development application in respect of land within the zone*”.

- To encourage sustainable primary industry production by maintaining and enhancing the natural resource base.
- To encourage diversity in primary industry enterprises and systems appropriate for the area.
- To minimise the fragmentation and alienation of resource lands.
- To minimise conflict between land uses within this zone and land uses within adjoining zones

The proposal is considered to be generally consistent with these objectives because:

- it will have no detrimental impact on primary production;
- it will allow the landowner to configure his property as part of succession planning;
- there is no fragmentation as the current scenario of two lots with a dwelling on one will remain; and
- it won't lead to land use conflicts as there is no change to the principal use of the land.

It is considered that all objectives of the zone have been addressed and satisfied by the proposal.

4.3.2 Subdivision—consent requirements

Clause 2.6 instigates the need for a development application for subdivision. This application is in response to the provisions of this clause.

4.3.3 Minimum lot size for subdivision

The proposal is non-compliant with Clause 4.1 because one of the proposed lots is less than the Minimum Lot Size (MLS) of 120 hectares applicable to the subject land on the MLS map in the BLEP. The provisions of this clause are however negated by the provisions of Clause 4.2 under which consent for the proposal can be granted (see below).

4.3.4 Rural subdivision

Clause 4.2 is relevant as the proposal relates to subdivision within the RU1 zone and is relied upon for the permissibility of the proposal.

There used to be a *State Environmental Planning Policy (Rural Lands) 2008* ("the Rural Lands SEPP") that was repealed in February 2019. Clause 9 of the Rural Lands SEPP made the following provision for rural subdivision:

9 Rural subdivision for agricultural purposes

- (1) The objective of this clause is to provide flexibility in the application of standards for subdivision in rural zones to allow land owners a greater chance to achieve the objectives for development in the relevant zone.
- (2) Land in a rural zone may, with consent, be subdivided for the purpose of primary production to create a lot of a size that is less than the minimum size otherwise permitted for that land.
- (3) However, such a lot cannot be created if an existing dwelling would, as the result of the subdivision, be situated on the lot.
- (4) A dwelling cannot be erected on such a lot.
- (5) *State Environmental Planning Policy No 1—Development Standards* does not apply to a development standard under this clause.

What the State did in repealing the SEPP was take these provisions and reallocate them to all Council Local Environmental Plans. Clause 4.2 of the *Berrigan Local Environmental Plan 2013* states:

4.2 Rural subdivision

- (1) The objective of this clause is to provide flexibility in the application of standards for subdivision in rural zones to allow land owners a greater chance to achieve the objectives for development in the relevant zone.
- (2) This clause applies to the following rural zones—
 - (a) Zone RU1 Primary Production,
 - (b) Zone RU2 Rural Landscape,
 - (baa) Zone RU3 Forestry,
 - (c) Zone RU4 Primary Production Small Lots,
 - (d) Zone RU6 Transition.

Note. When this Plan was made it did not include all of these zones.
- (3) Land in a zone to which this clause applies may, with development consent, be subdivided for the purpose of primary production to create a lot of a size that is less than the minimum size shown on the Lot Size Map in relation to that land.
- (4) However, such a lot cannot be created if an existing dwelling would, as the result of the subdivision, be situated on the lot.
- (5) A dwelling cannot be erected on such a lot.

You can see that the objective and parts (3), (4) and (5) of Clause 4.2 in the BLEP replicate the objective and parts (2), (3) and (4) of Clause 9 in the Rural Lands SEPP. The expectation then is that the provisions of the Rural Lands SEPP will be interpreted the same way under the BLEP.

What the provisions of Clause 9 of the Rural Lands SEPP and now Clause 4.2 of the BLEP require is for one of the lots created to not have an existing dwelling or the opportunity to have a new dwelling. By default, there are no restrictions on the other lot because the restriction only applies to a 'lot' singular and not all 'lots' plural in the subdivision. This interpretation of the clause is confirmed by the State planning authority (see **Attachment B**) and should be preferred over any other advice to the contrary as the State authority was responsible for the drafting of the clause and the ongoing administration of it.

The way the clause is framed, it is open for a subdivision to nominate which lot is to be the one 'created' and which one is to be the other or residual lot. So, in the case of the proposed subdivision, the larger vacant lot is nominated as the one to be 'created' and smaller lot as the other lot.

Within the context of the above, the proposal is considered to satisfy Clause 4.2 of the BLEP because:

- It is in the RU1 zone;
- It is consistent with the objective by allowing the land owner a greater chance to achieve the objectives for development in the RU1 zone in this location;
- the lot 'created' in not less than the MLS;
- there is no dwelling on the lot 'created'; and
- a restriction will be placed on the lot 'created' to prevent a dwelling.

4.3.5 Essential services

Clause 6.10 of BLEP requires that services essential to the development are available or that adequate arrangements can be made to make them available.

The only service relevant to a rural subdivision is road access. Both proposed lots will retain access to the sealed Mulwala-Barooga Road. The entrance to the dwelling on the proposed smaller lot is to be retained.

4.3.6 Terrestrial biodiversity

Clause 6.3 is relevant as a small part of the subject land are mapped as Terrestrial Biodiversity on the Biodiversity Map in the BLEP (see **Figure 6**). Before determining a development application for development on land to which this clause applies, the consent authority must consider whether or not the development:

- (a) is likely to have any adverse impact on the condition, ecological value and significance of the fauna and flora on the land, and
- (b) is likely to have any adverse impact on the importance of the vegetation on the land to the habitat and survival of native fauna, and
- (c) has any potential to fragment, disturb or diminish the biodiversity structure, function and composition of the land, and
- (d) is likely to have any adverse impact on the habitat elements providing connectivity on the land.

As the proposed subdivision does not involve any earthworks or tree removal, there can be no detrimental biodiversity impacts. The area of the subject land that is mapped is unaffected by the proposed subdivision.

Having regard for this, Council can be satisfied the proposal satisfies the requirements of this clause.



Figure 6: Area of subject land mapped as Terrestrial Biodiversity (Source: ePlanning)

4.3.7 Flood planning

Clause 6.2 is relevant as a small part of the subject land is mapped as a 'Flood Planning Land' on the *Flooding Planning Map* within the BLEP (see **Figure 7**). Under this clause, before development consent can be granted, the consent authority must be satisfied that the proposal:

- (a) is compatible with the flood hazard of the land, and
- (b) is not likely to significantly adversely affect flood behaviour resulting in detrimental increases in the potential flood affectation of other development or properties, and
- (c) incorporates appropriate measures to manage risk to life from flood, and
- (d) is not likely to significantly adversely affect the environment or cause avoidable erosion, siltation, destruction of riparian vegetation or a reduction in the stability of river banks or watercourses, and
- (e) is not likely to result in unsustainable social and economic costs to the community as a consequence of flooding.

The proposed subdivision is generally consistent with these matters because:

- it is unclear why the area is mapped flood prone given the lie of the land and distance from a watercourse;

- if its exists, the hazard of flooding is negligible;
- extensive agriculture has no impact on flood behaviour;
- the impact of flooding on the subject land after the subdivision will be unchanged from the existing situation; and
- it will not result in unsustainable social and economic costs to the community as a consequence of flooding.



Figure 7: Part of subject land mapped as Flood Planning Area (Source: ePlanning)

4.4 Development Control Plan

The *Berrigan Development Control Plan 2014* (BDCP) provides specific requirements for development within the Berrigan Shire. It is essentially a copy of the former Murray Shire's DCP. The following chapters of the BDCP are applicable to the proposed development:

- Chapter 7 – Subdivision
- Chapter 11 – Flood Prone Land

4.4.1 Subdivision

Whilst Chapter 7 applies to subdivision, it principally targets urban areas and consequently most of the development controls are not relevant to the proposal.

Clause 7.10 addresses natural hazards and the need to consider flooding. This issue has been addressed earlier under the provisions of the BLEP.

4.4.2 Flood prone land

Chapter 11 of the DCP applies to land identified as being flood prone. As part of the subject land is identified as 'Flood Planning Land' on the *Flooding Planning Map* contained within the BLEP, the provisions of this chapter are technically relevant to the proposal.

This chapter mainly focusses on consideration of buildings and structures on flood prone land and consequently it is of little relevance to the proposed subdivision. Suffice to say that as the proposed subdivision does not involve any buildings or works, it can have no impact on flooding.

5. Statement of environmental effects

Clause 2 of Part 1 of Schedule 1 to the *Environmental Planning and Assessment Regulation 2000* lists the documents that must accompany a development application. Subclause 2(1)(c) states that one of these documents must be a statement of environmental effects. Subclause 2(4) specifies the matters to be addressed in a statement of environmental effects as follows:

- (a) the environmental impacts of the development,
- (b) how the environmental impacts of the development have been identified,
- (c) the steps taken to protect the environment or to lessen the expected harm to the environment,
- (d) any matters required to be indicated by any guidelines issued by the Planning Secretary for the purpose of this clause.

It is noted that there are no guidelines issued by the Planning Secretary applicable to this proposal.

An assessment of the environmental impacts of the proposed ancillary reception building is undertaken in **Attachment D**. In summary, this assessment reveals that the proposed development will have minimal environmental impact and therefore considered to be satisfactory in terms of environmental impacts.

6. Conclusion

The application seeks to re-subdivide two rural lots on the Mulwala-Barooga Road at Boomanoomana. The purpose of the subdivision is to reconfigure the land as part of succession planning for the land owner.

As discussed within this report, the proposal has been considered against the relevant matters of the EP&A Act, State Environmental Planning Policies, BLEP and BDCP. Having regard for this, the proposal deserves the support of Council because:

- it is permissible in accordance with the Department of Planning's interpretation of the provisions of clause 4.2 of the BLEP;
- no fragmentation of rural land will occur as no additional rural lots will be created;
- no loss of agricultural land will occur as no opportunity will be created for an additional rural dwelling;
- it will continue use of the land in primary production;
- it is generally consistent with the relevant planning instruments;
- it will not create any adverse environmental impacts; and
- it will not create any issues with regards to flooding impacts on the subject land or on surrounding lands.



Attachment A

Plan of re-subdivision

**PLAN OF PROPOSED SUBDIVISION
LOT 1 DP720268 & LOT 97 DP752280
2521 MULWALA-BAROOGA ROAD
BOOMANOOMANA**



THIS PLAN DOES NOT DEFINE TITLE BOUNDARIES,
DIMENSIONS AND AREAS ARE APPROXIMATE
ONLY AND SUBJECT TO SURVEY.



SCALE 1 : 10,000 A3



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Attachment B

DPE interpretation of clause 9 in former Rural Lands SEPP & now clause 4.2 of Berrigan Local Environmental Plan



Contact: Graham Judge
Phone: 02 6229 7906
Fax: 02 6229 7901
Email: graham.judge@planning.nsw.gov.au

Our ref: 10/01017
Your ref: CK:EP

Mr Colin Kane
Director of Environment and Planning
Greater Hume Shire Council
PO Box 99
Holbrook NSW 2644

Dear Mr Kane

Clause 9 State Environmental Planning Policy (Rural Lands) 2008

I refer to your letter dated 14 June 2012 regarding the application of clause 9 of the Rural Lands SEPP (SEPP) and apologise for the late reply.

The purpose of clause 9 of the SEPP is to provide flexibility in the application of standards for subdivision in rural zones to facilitate primary production and not for the creation of additional dwelling entitlements either on the primary or residual lot. Clause 9 is the same as clause 4.2 of the Greater Hume LEP 2012 (LEP).

As previously discussed, clause 9 does not provide any limitations regarding the characteristics of a residual lot. The area of the residual lot can be equal to, greater or less than the minimum lot size and an existing dwelling may be located on the residual lot.

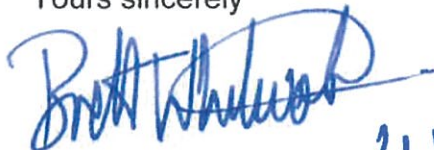
Amending the SEPP or the LEP to permit rural subdivision to create a lot equal to or greater than the minimum lot size (primary lot) and a lot below the minimum lot size (residual lot) that contains an existing dwelling would potentially undermine the intent of clause 9 of the SEPP and clause 4.2 of the LEP by creating opportunities for 'additional' dwelling entitlement in rural zones. This 'additional' entitlement would arise because the primary lot would be larger than the size needed for a dwelling house.

Should Council wish to pursue the issue, then it could propose an amendment to clause 4.2 of the Greater Hume LEP 2012, which would need to include appropriate protections to ensure that additional dwelling entitlements are not created. This amendment would need to be documented and supported by a planning proposal submitted to the Department for a Gateway Determination.

Alternatively, where Council considers that there is merit in a particular proposal for rural subdivision that is prohibited under the Greater Hume LEP 2012, Council may seek to make a specific amendment to the lot size map. Again, this amendment would need to be documented and supported by a planning proposal submitted to the Department for a Gateway Determination.

Should you have any further enquiries about this matter, please contact Graham Judge on 02 62297906.

Yours sincerely



Brett Whitworth
Regional Director
Southern Region

21 November 2012

Attachment C

Murray REP No. 2 Compliance Table

Table 1 – Compliance table for Murray Regional Environmental Plan No. 2

General principles to be taken into account	Compatibility of proposal
<p>Access</p> <p>The waterway and much of the foreshore of the River Murray is a public resource. Alienation or obstruction of this resource by or for private purposes should not be supported.</p> <p>Development along the main channel of the River Murray should be for public purposes. Moorings in the main channel should be for the purposes of short stay occupation only.</p> <p>Human and stock access to the River Murray should be managed to minimise the adverse impacts of uncontrolled access on the stability of the bank and vegetation growth.</p>	<p>The subject land is not in proximity of the Murray River.</p>
<p>Bank disturbance</p> <p>Disturbance to the shape of the bank and riparian vegetation should be kept to a minimum in any development of riverfront land.</p>	<p>The subdivision will have no impact on the river bank.</p>
<p>Flooding</p> <p>Where land is subject to inundation by floodwater:</p> <ul style="list-style-type: none"> (a) the benefits to riverine ecosystems of periodic flooding, (b) the hazard risks involved in developing that land, (c) the redistributive effect of the proposed development on floodwater, (d) the availability of other suitable land in the locality not liable to flooding, (e) the availability of flood free access for essential facilities and services, (f) the pollution threat represented by any development in the event of a flood, (g) the cumulative effect of the proposed development on the behaviour of floodwater, and (h) the cost of providing emergency services and replacing infrastructure in the event of a flood. <p>Flood mitigation works constructed to protect new urban development should be designed and maintained to meet the technical specifications of the Department of Water Resources.</p>	<p>The subdivision will have no impact on flooding.</p>
<p>Land degradation</p> <p>Development should seek to avoid land degradation processes such as erosion, native vegetation decline, pollution of ground or surface water, groundwater accession, salination and soil acidity, and adverse effects on the quality of terrestrial and aquatic habitats.</p>	<p>No works are proposed as part of the subdivision hence it will not create the potential for land degradation.</p>

General principles to be taken into account	Compatibility of proposal
<p>Landscape</p> <p>Measures should be taken to protect and enhance the riverine landscape by maintaining native vegetation along the riverbank and adjacent land, rehabilitating degraded sites and stabilising and revegetating riverbanks with appropriate species.</p>	<p>The proposal is a two lot rural re-subdivision that does not propose any vegetation removal or works. Consequently, the existing landscape of the land will remain unchanged by the subdivision.</p>
<p>River related uses</p> <p>Only development which has a demonstrated, essential relationship with the river Murray should be located in or on land adjacent to the River Murray. Other development should be set well back from the bank of the River Murray</p> <p>Development which would intensify the use of riverside land should provide public access to the foreshore.</p>	<p>The proposal is a subdivision and not buildings and/or works. Consequently, this principle is not relevant.</p>
<p>Settlement</p> <p>New or expanding settlements (including rural-residential subdivision, tourism and recreational development) should be located:</p> <ul style="list-style-type: none"> (a) on flood free land, (b) close to existing services and facilities, and (c) on land that does not compromise the potential of prime crop and pasture land to produce food or fibre. 	<p>The proposal does not relate to settlement.</p>
<p>Water quality</p> <p>All decisions affecting the use or management of riverine land should seek to reduce pollution caused by salts and nutrients entering the River Murray and otherwise improve the quality of water in the River Murray.</p>	<p>Being a rural lot re-subdivision, there will be no impact on water quality.</p>
<p>Wetlands</p> <p>Wetlands are a natural resource which have ecological, recreational, economic, flood storage and nutrient and pollutant filtering values.</p> <p>Land use and management decisions affecting wetlands should:</p> <ul style="list-style-type: none"> (a) provide for a hydrological regime appropriate for the maintenance or restoration of the productive capacity of the wetland, (b) consider the potential impact of surrounding land uses and incorporate measures such as a vegetated buffer which mitigate against any adverse effects, (c) control human and animal access, and (d) conserve native plants and animals 	<p>There are no natural wetlands on the subject land.</p>

Attachment D

Statement of Environmental Effects

How the environmental impacts of the development have been identified	The potential environmental impacts of the development	The steps taken to protect the environment or to lessen the expected harm to the environment
Context & setting	Anticipated.	None required.
Access & traffic	Anticipated.	None required.
Infrastructure	Anticipated.	None required.
Heritage	Schedule 5 of the BLEP for list of heritage items.	None required.
Archaeology	Schedule 5 of the BLEP for list of heritage items.	None required.
Land resources	Anticipated.	None required.
Soils & groundwater	Anticipated.	None required.
Air & microclimate	Anticipated.	None required.
Flora & fauna	Site inspection.	None required.
Waste	Anticipated.	None required.
Noise	Anticipated.	None required.
Natural hazards	Council Bush Fire Prone Land Map. Council Flood Planning Map	None required.
Social impact	Anticipated.	None required.
Economic development	Anticipated.	None required.



Adverse Events Plan 2020

PREPARED BY THE RIVERINA AND MURRAY JOINT ORGANISATION IN
CONJUNCTION WITH BERRIGAN SHIRE COUNCIL

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Test and Review Process:

Council intends to review this Plan every four (4) years, and may review following any:

- activation of any part of the Plan in response to an adverse event
- legislative changes affecting the Plan; and
- exercises conducted to test all or part of the Plan.

The first version of this plan was prepared in 2020 by the Riverina and Murray Joint Organisation (RAMJO) together with key Council staff as an internal document. The intention is that the attachments are utilised as a ‘TOOLBOX’ and are updated by Council on an as-needs basis.

Part 1 – Administration

1.1 Authority

The Berrigan Shire Council Adverse Events Plan has been prepared by the Riverina and Murray Joint Organisation in conjunction with Council in response to the requirements of the Federal Government's Drought Communities Programme. This plan is one of a series of plans which relate to Council operations of assets and community aspirations.

1.2 Purpose

The purpose of the Berrigan Shire Council Adverse Events Plan is to demonstrate the Council framework as it relates to adverse events that directly and indirectly affect Berrigan Shire Council and its community. This plan has been written in response to the Commonwealth Government's Drought Communities Programme, for which Berrigan Shire Council received support funding. This plan is a requirement under that funding arrangement.

Additionally, Local Government plays a critical role in community planning, capacity and resilience building. This document aims to demonstrate the existing integrated planning and operational responsibilities of Berrigan Shire Council which provide for a strategic and operational approach to adverse events which might affect our community.

1.3 Objectives

The objectives of this plan are to:

- Identify the roles and responsibilities of Local Government across all areas of adverse event management: prevention, preparedness, response and recovery.
- Provide clarity as to the existing measures Council undertakes to address the four key areas of adverse events management.
- Demonstrate effective integration of planning across the Berrigan Shire Council and the consideration of adverse event impacts.
- Addressing the individual action of Council as a direct requirement of the Commonwealth Government's Drought Communities Programme, including:
 - **Natural resource management:** water supply, ground cover, trees, erosion, levee banks, biodiversity
 - **Economic diversification and community resilience:** infrastructure planning, tourism investment, diversifying local industries
 - **Communication and coordination:** how and when to communicate and managing community messaging.

1.4 What is an Adverse Event?

An adverse event means an event or incident that has a negative impact on the wellbeing of the community. Generally, an adverse event causes serious disruption of the functioning of a community or a society by creating widespread human, material, economic or environmental losses which exceed the ability of the affected community or society to cope using its own resources.¹

In order to be an adverse event, an occurrence does not need to be declared a disaster by the State. Adverse events may include (but are not limited to):

- **Extreme weather:** heat wave, storms (hail, wind, downpour), drought, tornados
- **Natural:** floods, bushfire, structural fires, earthquake, riverbank collapse
- **Man-made:** power outage, pollution (air), contamination (food, water, soil), chemical spill, terrorism
- **Biological:** pandemic, epidemic, animal and plant disease, insect plague
- **Other:** regulation or policy change impacting one area disproportionately, civil unrest

Disasters are generally declared by the State once an adverse event exceeds the ability for a localised response.

Disaster means an occurrence, whether or not due to natural causes, that causes loss of life, injury, distress or danger to persons, or loss of, or damage to, property.² Furthermore, the Australian Institute for Disaster Resilience define a **Disaster** as:

'A serious disruption of the functioning of a community or a society at any scale due to hazardous events interacting with conditions of exposure, vulnerability and capacity, leading to one or more of the following: human, material, economic and environmental losses and impacts.'

¹ (Humanitarian Health Action. Definitions: Emergencies, 2020)

² (Community Welfare Act 1987 No 52, 2015)

In terms of adverse event management, there are four (4) recognised stages of managing events: **prevention, preparedness, response** and **recovery**, also known as the PPRR³ model.

- **Prevention** – actions taken to reduce or eliminate the likelihood of an incident. A risk management plan can help with understanding risks, their drivers, and steps to mitigation.
- **Preparedness** - steps taken before an incident to ensure effective response and enhance the capacity of an agency to manage response and recovery. A business impact analysis is a useful tool in allowing organisations or prepare for likely response and recovery requirements.
- **Response** - contain, control and/or manage the immediate impacts of an incident. Most Councils will have operational plans which detail their obligations in responding to events which fall under the regulatory requirements (e.g. managing road safety by clearing trees, ensuring waste water facilities continue to operate, assisting in the management and recovery of council-owned environmental assets).
- **Recovery** - steps taken to minimise disruption and attempt to assist the community, businesses and government to return to a normalised state and restore wellbeing. For example, disaster recovery can include the coordinated process of supporting emergency-affected communities in reconstruction of the physical infrastructure and restoration of emotional, social, economic and physical well-being.⁴

1.5 Scope of the Berrigan Shire Council Adverse Events Plan

The plan describes the **existing key strategies and actions at local level** which create a framework for leadership, resilience and adaptation from adverse events that directly and indirectly affect Berrigan Shire Council and its residents. These events may require action for which Berrigan Shire Council has full or partial responsibility, **or** where responsibility lies with another agency (e.g. Rural Fire Service, Area Health Service) that may involve a commitment from Council.

This plan should not be confused with the Council 'Emergency Management Plan' or 'EMPLAN'.⁵ The EMPLAN provides Council, Government agencies and emergency services with vitally important information and has been produced in collaboration with our local emergency service leaders. Should you require it, the EMPLAN can be requested from Council, however note that some operational information is kept confidential.

³ (NSW Government, Resilience NSW, 2016)

⁴ (Australian Institute for Disaster Resilience, 2020)

⁵ (Riverina Murray Regional Emergency Management Plan, 2019)

Furthermore, this Adverse Event Plan does not replace the formalised framework set out in the *NSW State Emergency and Rescue Management Act 1989* to assist Council to manage a disaster/adverse event. The intention is to provide an overarching document that demonstrates the framework in place for Council to work with their available resources and recognise what Council can and cannot do for the community.

The intention is to align this plan with the existing Council, State and Commonwealth Government emergency management arrangements, while recognising the unique factors of our Local Government Area and how the Council maintains a comprehensive framework as it relates to adverse event management.



Photo taken of Barooga Post Office after a Storm Event

'All states have delegated to local governments significant responsibilities for aspects of managing natural disasters.'

However, the capability and capacity of local governments to do this work appears to depend on their relative size and the resources available to them and varies across Australia.

Notwithstanding this delegation, we would expect state governments to ensure that they retain oversight and understanding of the capabilities and capacity of local government to perform these responsibilities, and to provide support as necessary.'

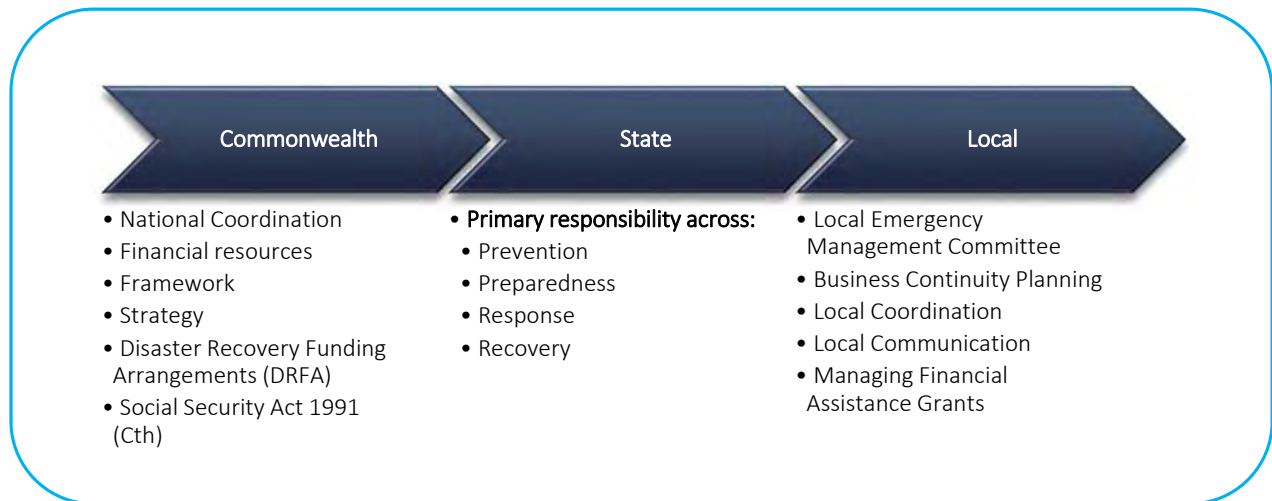
(Royal Commission into National Natural Disaster Arrangements - Interim Observations, 2020, p. 6)

Part 2 – Roles and Responsibilities

2.1 Role of Various Levels of Government in Emergency Management

The roles of various levels of Government in national emergency and disaster response are well established with national coordination and planning in place. The *2011 National Strategy for Disaster Resilience*⁶ and the 2017 Australian Government Crisis Management Framework (AGCMF)⁷ set out overarching strategy and decision making framework for all kinds of crises events including the above **prevention, preparedness, response, recovery** model utilised by the NSW state government.

Primary Roles of Government in the Emergency Management Framework



Commonwealth Government

A recent (April 2020) assessment by the Department of Parliamentary Services stated ‘Each Australian state and territory has generic emergency and **disaster response legislation which authorises officials to declare emergencies in a variety of circumstances and make orders to deal with an emergency.** The Australian Government does not have specific legislative power to deal with emergencies and has not enacted equivalent generic legislation’.⁸

Furthermore, the Department of Parliamentary Services stated ‘Under Australia’s federal system, with different powers residing in state, territory and Australian governments, **cooperative arrangements to deal with civil emergencies are not only desirable, but necessary, because no single government has the capacity or the authority to deal with all aspects of large emergencies**’. The state and territory governments have broader legislative and executive powers and the Australian Government has significantly more financial resources and capacity for coordination’.⁹

⁶ (Australia’s National Strategy for Disaster Resilience, 2011)

⁷ (National emergency and disaster response arrangements in Australia: a quick guide, 2020, p. 3)

⁸ (National emergency and disaster response arrangements in Australia: a quick guide, 2020, p. 3)

⁹ (National emergency and disaster response arrangements in Australia: a quick guide, 2020, p. 3)

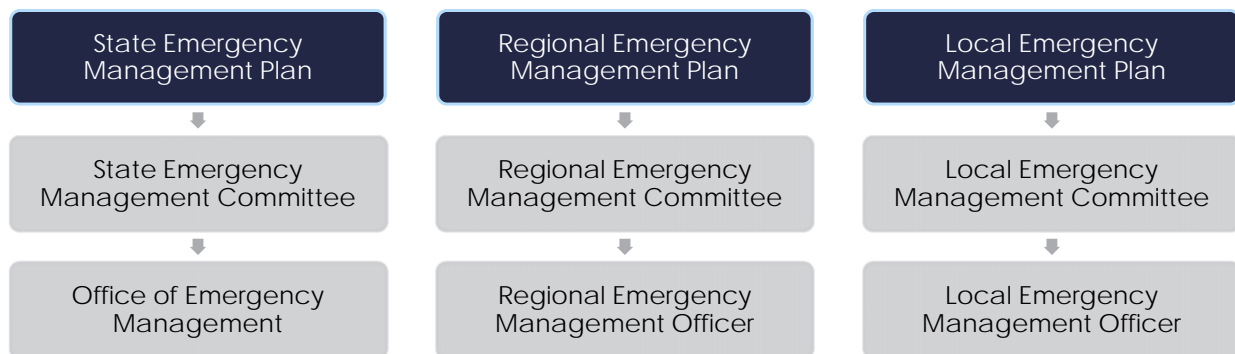
State Government

States and territories are the first responders to any incident that occurs within their jurisdiction. According to the Australian Government Crisis Management Framework (AGCMF):

States and territories have primary responsibility for the protection of life, property and the environment within the bounds of their jurisdiction. They control most functions essential for effective crisis prevention, preparedness, response and recovery. However, where crises involve actual or potential national consequences there may be a need for high level collaboration and coordination within and across all levels of government.¹⁰

Under the NSW State Emergency and Rescue Management Act 1989, there are varying levels of management and responsibility, from state to regional and local. The appropriate committees, have supporting risk assessments, plans, committees and officers to support them.

Structure of Varying Levels of Emergency Management in NSW



It is the role of the Local Emergency Management Officer which is held by a Council representative where the link between State and Local adverse events management. This Adverse Event Plan is not a substitute for any of the formalised arrangements relating to response which are dictated in the relevant plans above.

COUNCIL ADVERSE EVENT PLAN APPENDIX
A list of State and Commonwealth resources are provided as: 'Toolbox A - Resources'

Local Government

There are a range of strategic and operational matters related to reducing disaster risk and managing adverse events which require strong collaboration between communities, emergency management agencies and Council.

This Adverse Events Plan aims to identify likely community impacts and provides demonstration of the existing planning, actions and intended outcomes of Berrigan Shire Council in the prevention, preparedness, response and recovery actions which relate to any adverse event.

¹⁰ (National emergency and disaster response arrangements in Australia: a quick guide, 2020)

Part 3 - About Berrigan Shire Council

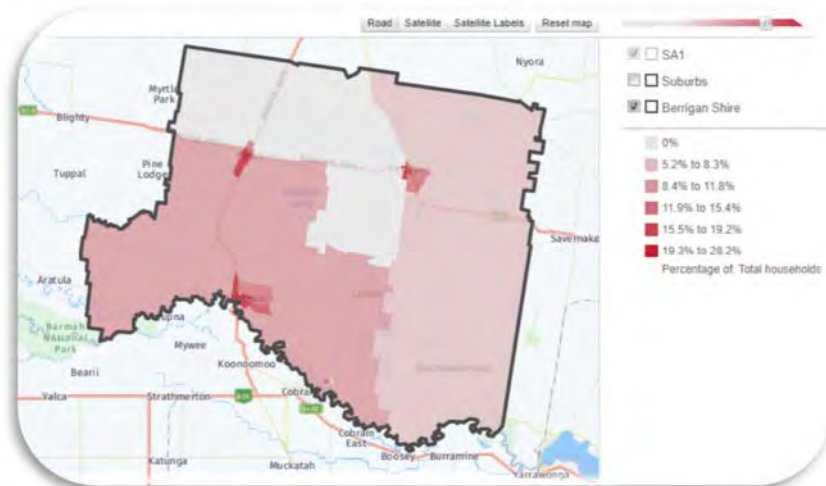
Berrigan Shire Council area has a population of 8,750 people and covers a land area of 206,573km².¹¹ With a strong agriculture industry underpinning the local economy, Berrigan Local Government Area (LGA) is located 270 kilometres north of Melbourne and 670 kilometres west of the Sydney CBD.

While detailed data on the LGA can be found throughout the Council’s plans and strategies, of concern are the following factors which are somewhat unique to Berrigan Shire, and in some instances place the community at greater risks of impacts from an adverse event.

3.1 Ageing Population

According to the most recent Census Data, Berrigan LGA residents are most likely to fall in the age group between 40 – 69 years of age. Naturally, with an ageing population comes other considerations including requirements for increased access to health services, support and in some instances, high level care. Furthermore, the trends in data from the 2011 and 2016 Australian Census show the average age of Berrigan LGA residents increasing, demonstrating a trend which may continue into the future.

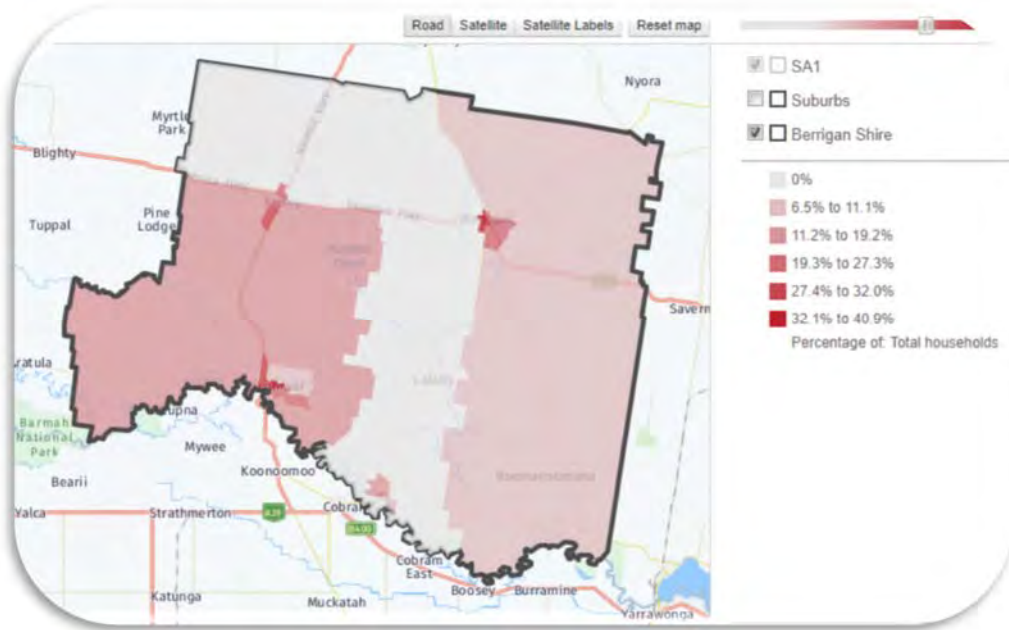
In addition, the number of Berrigan Shire “Lone Older Persons” shows a significant percentage of older residents living by themselves, thereby increasing their risk or decreasing their resilience by having no other household members to assist in the face of an adverse event.



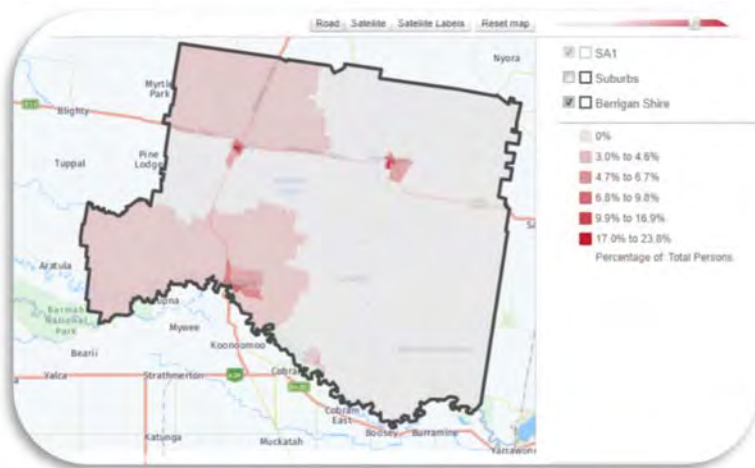
Berrigan Shire, Older lone person households (aged 65 years and over), 2016, Enumerated, Persons

¹¹ (Community Profile ID Berrigan, 2020)

In addition, Berrigan Shire residents also have higher than average ‘Low Income Households’ (defined as less than \$650 per week income), further adding to the inability of individuals to have disposable income to manage individual impacts of adverse events, or endure any period of interruption to their daily employment.



Berrigan Shire, Low income households (less than 650 per week), 2016, Enumerated



Berrigan Shire, People in need of assistance due to disability, 2016, Enumerated, Persons

Finally, the rates of residents in need of assistance due to a disability is as high as 23% in Finley, and 17% in Berrigan, further amplifying any community impacts relating to response and recovery. These levels of disability require careful consideration in terms of planning and of the community impacts for any adverse event in the region.

3.3 Built Asset Disadvantage

Berrigan Shire Council has a number of built asset and services disadvantages which place the population at greater risk. The following have been identified as increasing the risk of impacts stemming from adverse events:

- Capacity issues in the **electricity transmission network**, via the single 132 / 110 kV¹² transmission line servicing a large portion of the Berrigan LGA. Through the Local Strategic Planning Statement, Berrigan Shire Council is advocating for investment of critical high voltage transmission network to ensure the network has the capacity to enable further development in region, and to allow for alternative supply options during an adverse event which may impact that infrastructure.
- For Berrigan Shire LGA, the residents are **largely car-dependent communities**, despite being located at the cross roads of national, regional and local transport networks. There are limited public transport options or Council-managed transport systems for vulnerable residents to access services in other towns or also cross border. The ability for Berrigan LGA's community to be resilient in times of adverse events, without access to alternative transport systems (should they not have access to, or be able to drive, a vehicle) creates an areas of risk.
- The intermittent and sub-standard access to **digital connectivity** (both data and telecommunications), provides Berrigan LGA residents at a significant disadvantage in terms of their ability to remain informed on adverse events, and make decisions based on that information. In recent times, communications and critical messaging is often delivered via digital means (for example via Smart Apps), including critical response and recovery information. Free to air television signal is also at times unreliable, leaving residents with sometimes only radio or landline to receive timely information in the event of an adverse event. This matter remains a key risk for the Berrigan Shire LGA.



¹² (TransGrid, 2020)

3.5 Regional Context



Berrigan Shire Council is one of many Councils that make up the NSW / VIC cross border communities.

Regional context is important to take into consideration because our neighbors are likely also experiencing the same things we are. The ability to tap into each other's resources and ideas is an essential to creating resilience and coordinating recovery from an adverse event.

The impact of drought is an on-going adverse event that has severely impacted many of the communities represented here.

3.6 Cross Border Considerations

Communications interoperability and coordination of adverse event activities are a fundamental challenge to all emergency response agencies, but border regions face additional technical, operational and legal obstacles. The Berrigan Shire Council makes up part of the NSW/VIC cross border community, which offers an increased level of complexity when managing responsibility and authority of agencies in the coordination of adverse events. From a border community perspective, state boundaries are often insignificant in the day-to-day lives of these individuals, with residents regularly crossing the border for employment, education, health and recreation purposes.

During the Covid-19 global pandemic, the NSW/VIC border closed for the first time in 100 years. The impacts to the Berrigan Shire Council residents was immediate and severe. Cross border communities operate as one, despite state borders and the separate legislative and governance frameworks. This event did, however, highlight the interconnected nature of the community and the interoperability of the businesses, organisations and communities which operate cross border. In turn, the impacts are magnified when families, students and employees are separated for an ongoing period, and the roadmap to recovery is complex and multifaceted.

On a State-by-State basis, there is no formal mechanism for cross border management of adverse events at the local or State level. Therefore, in the context of Berrigan Shire Council, the following options **could** be considered:

- Create an informal "Recovery Communications Tree", to call upon in terms of recovery, and depending on the adverse events, including:

- Neighbouring Councils (including cross border)
 - Local Community Groups (Lions, Rotary, CWA, sporting groups)
 - Local business and industry support groups (Business Chambers, Chamber of Commerce, Industry Groups)
 - Where relevant, State and Commonwealth Government entities at the regional level, in conjunction with the LEMC
-
- Create a cross border recovery committee on an 'as needs' basis, depending on the affected communities, and coordinated by a lead Council. The committee would appoint a chair and maintain outcome focussed actions, and could also advocate for funding in relation to recovery.
 - Undertake identified training opportunities to establish networks and build knowledge cross border and with surrounding communities.
 - Consider developing a 'resource sharing plan' and a supporting Memorandum of Understanding, to consider sharing heavy machinery, skilled staff, IT and other resources to act cohesively during an adverse event which could impact cross border communities.





‘Coordination and resource sharing between local governments often rely on regional arrangements and, in some cases, informal understandings.

Current processes to facilitate sharing resources between local governments during natural disasters appear beneficial, and warrant greater support.’

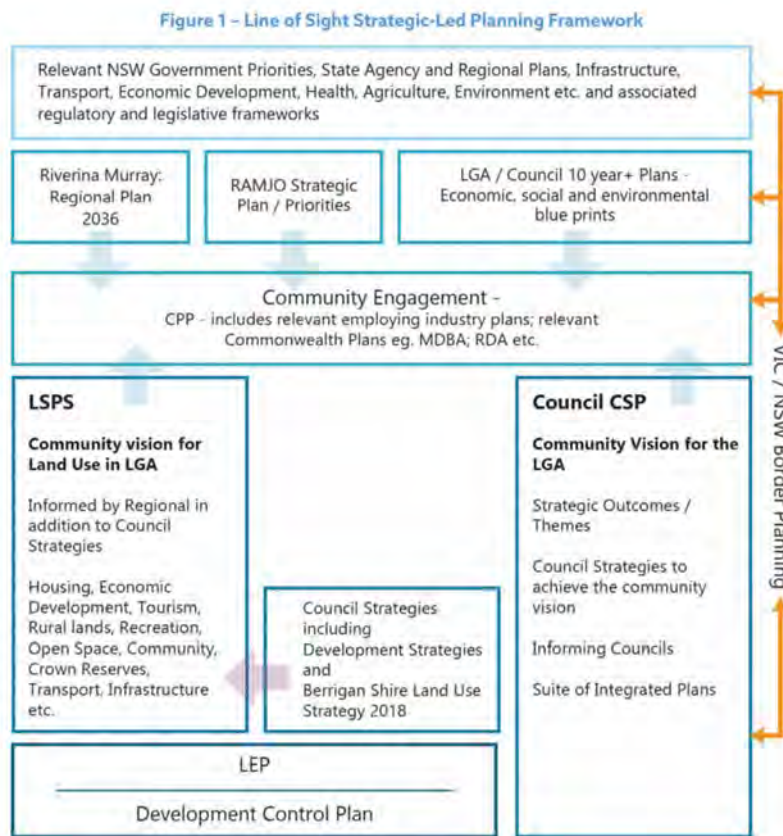
(Royal Commission into National Natural Disaster Arrangements - Interim Observations, 2020, p. 7)

3.7 Berrigan Shire Council’s Strategic Planning Framework

Berrigan Shire Council maintains a comprehensive framework of high level strategies, asset, risk and financial management plans, and operational plans for the integrated management of day-to-day actions with a higher strategic framework. These strategies and plans have been prepared in accordance with relevant State Government legislation and include the following:

- the basis for strategic planning in the area, having regard to economic, social and environmental matters
- the planning priorities for the area that are consistent with any strategic plan applying to the area and (subject to any such strategic plan) any applicable community strategic plan under section 402 of the *Local Government Act 1993*
- the actions required for achieving those planning priorities
- the basis on which the council is to monitor and report on the implementation of those actions.

The diagram below, taken from Berrigan Shire Council’s Local Strategic Planning Statement, demonstrates the hierarchical and intricate nature of integrated planning:



3.8 Berrigan Shire Council's Delivery of Plans

The adjacent diagram provides a clear demonstration of how the Council takes high level plans and breaks down elements into individual delivery programs and annual operational plans.

Within these plans are a series of tasks and actions on a continuous improvement cycle in the planning and implementation of community infrastructure.

These plans aim to complement one another and ensure there is minimal duplication and aims to identify gaps in service delivery. The supporting operational plans provide timelines, success indicators and individuals responsible for the delivery of actions, and reporting on progress.

This is known as integrated planning and reporting.

Integrated planning as it relates to day-to-day operations is crucial in any role Council may play in relation to adverse events management. As with the other plans, this plan sits with all other strategic plans which underpin the Community Strategic Plan in the diagram at the bottom of this page.



3.9 Berrigan Shire Council's Operational Responsibilities

Under Berrigan Shire Council's Community Strategic plan, the Council commits to a substantial list of outcomes, underpinned by individual actions which lead to delivering on those strategic outcomes.

The Community Strategic Plan considers the following areas:

- Sustainable and natural built landscapes
- Good government
- Supported and engaged communities
- Diverse and resilient business

The operational responsibilities of Berrigan Shire Council in the table demonstrate a clear number of areas which require consideration in the preparedness and prevention of adverse events related impacts, as well as in the response and recovery of those events.

The management of assets, both the planning and maintenance phase, is part of everyday operations for Council.

The individual matters in the table are some of the considerations the Berrigan Shire Council must undertake in the preparedness, prevention, response and recovery of any adverse event.

A detailed list of activities, and how they relate to the various stages of adverse events management, will be further considered in Part 4.

What the Council Does		
CSP: Strategic Outcome	Service	Activities
Sustainable natural and built landscapes	Housing	Planning and building control
	Environment	Stormwater, street cleaning, noxious weed control
	Sewerage Services	Sewer System
	Mining, Manufacturing and Construction	Quarries
	Transport and Communication	Roads and footpaths, street lighting, aerodrome
Good government	Administration	General Administration charges and costs associated with delivering services
	Governance	Councillors fees and expenses, elections, meetings, advocacy and Association fees
Supported and engaged communities	Public Order and Safety	Fire protection, SES
	Health	Food control, Domestic animal control
	Community Amenities	Public toilets, Cemeteries
	Community Services & Education	Early Intervention Services, Social Planning
	Water Supplies	Town Water
	Recreation and Culture	Libraries, Recreation Reserves, Swimming Pools, Public Halls and Parks
Diverse and resilient business	Economic Affairs	Caravan Park, Sale yard, Tourism and Economic Development

3.10 Likely Community Impacts

The following table demonstrates a list of generic impacts which could require action by Berrigan Shire Council in the management of an adverse event:

Social	Built Environment
<p>Social wellbeing indicators could include:</p> <ul style="list-style-type: none"> • Wealth • Employment • Amenity • Health • Social issues • Social belonging • Recreation and leisure 	<p>Built environment impacts that may require Local Government focussed recovery:</p> <ul style="list-style-type: none"> • Loss of essential services: power, water, food, fuel, sewerage, gas, communications, internet • Loss of community infrastructure; for example, public buildings, schools, hospitals, iconic buildings • Loss/damage/disruption of transport services (for example, roads, air, marine and rail transport infrastructure, facilities and assets), which in turn impacts the movement of people and goods • Loss of property (residential, rural, industrial, public) • Subsequent changes to planning and building regulations or planning scheme
Economic	Environmental
<p>The effects of disaster on the economic environment can be classified in terms of direct and indirect impacts— that is, those that are tangible and can normally have a dollar value easily assigned, and those that are intangible.</p> <p>Impacts on the economic environment may include:</p> <ul style="list-style-type: none"> • Loss of personal income or workforce • Damage to business premises • Loss of tourism activities • Loss of productive land 	<p>Examples include air quality, water quality, land degradation and contamination and impacts on national parks and cultural and heritage sites.</p> <p>Impacts on the natural environment that have flow-on effects to the community may occur in relation to:</p> <ul style="list-style-type: none"> • Air • Water • Land and soil • Plants and animals

The following chapter will address some of these generic impacts, and the individual actions Berrigan Shire Council is undertaking to not only address these in the planning and response phase, but also how the Council aims to support the community in resilience building and grass roots leadership.



BERRIGAN SHIRE COUNCIL ADVERSE EVENTS PLAN

Drought Communities Programme 2020

Part 4 - Actions by Berrigan Shire Council to Support

The four Adverse Event Plan Objectives identified within this plan further strengthen the commitments already identified with the Berrigan Shire Council's strategic and operational plans and policies.

In context with the strategic and operational framework drafted, adopted and delivered by Berrigan Shire Council, there are a range of activities and commitments which work towards adverse event prevention, preparedness and mitigation in the region. While these actions aim to deliver on identified delivery program objectives, they also service to deliver on adverse event plan management. The following tables are direct actions taken from Berrigan Shire Council's strategic planning, and aim to demonstrate the Council's commitment to adverse event prevention, preparedness, response and recovery under the following categories:

- Sustainable natural and built landscapes
- Good government
- Supported and engaged communities
- Diverse and resilient business

Adverse Event Plan Objective 1:

Active planning and management of natural resources (water, ground cover, soils, trees) and the built environment (council and community) exposed to the impacts of adverse event

Adverse Event Plan Objective 2

Identify the roles and responsibilities of Council and community partners for adverse event prevention, preparedness, response and recovery

Adverse Event Plan Objective 3

Lead in conjunction with community partners place-based preparations, adaptation and prevention activities that mitigate negative impact of adverse events on Council infrastructure and place-based services.

Adverse Event Plan Objective 4

Develop and implement Adverse Events Plan that is aligned with the requirements of the Commonwealth Government's Drought Communities Program



BERRIGAN SHIRE COUNCIL ADVERSE EVENTS PLAN

Drought Communities Programme 2020

Sustainable natural and built landscapes

Strategic Objective: 1.1	Support sustainable use of our natural resources and built landscapes
Delivery Program Objective: 1.1.1	Coordinate strategic land-use planning
Adverse Event Plan Objective 1:	Active planning and management of natural resources (water, ground cover, soils, trees) and the built environment (council and community) exposed to the impacts of adverse event

DP & AEP Action No.	What will we do about it? (Actions)	What will be the result?	How will we measure it?	Who will coordinate it?	Emergency Management Framework
1.1.1.1	Implement the Berrigan Shire Local Strategic Planning Statement (LSPS) 2020 - 2040	Line of Sight Planning and integration with State and Regional Strategic Plans	In accordance with the measures identified in LSPS	Development Manager	Prevention Preparedness
AEP:1.1.1	Engage regional and cross-border natural resource managers on the identification and regional prioritisation of responsibility for risk abatement and hazard reduction – national parks and state forests	Cross-jurisdiction coordination of prevention and preparedness activities	LGA specific impacts and responsibilities within region and cross-border context will be mapped	Development Manager Director Technical Services	Prevention Preparedness
1.1.1.3	Process and approve / refuse development applications in accordance with relevant legislation, codes and policies	Effective and timely assessment of development applications	Applications assessed and processed within statutory timeframes	Development Manager	Prevention
AEP:1.1.2	In accordance with relevant legislation, codes and policies Development Conditions will support abatement of identified risks, and require conservation and active stewardship of natural resources (trees, soils, water)	Negative impacts of new development on management of natural resources identified	Number of developments that proceed with supporting conditions	Development Manager	Prevention Preparedness
1.1.1.4	Review of Local Environment Plan	Review undertaken in accordance with Statutory Requirements	Local Environment Plan reviewed	Development Manager	Preparedness
AEP1.1.3	As part of the review of Local Environment Plan stakeholders to be engaged per (CE&CPP) in identification of local controls needed to actively plan for and manage natural resources and built environment exposed to the impacts of adverse events	LEP and subsequent planning control informed by local conditions	Evaluation of the extent of stakeholder engagement	SSPC	Prevention Preparedness



BERRIGAN SHIRE COUNCIL ADVERSE EVENTS PLAN

Drought Communities Programme 2020

Strategic Objective: 1.2	Retain the diversity and preserve the health of our natural landscapes and wildlife
Delivery Program Objective: 1.2.1	Partner with community groups and agencies on projects that retain and preserve the health of our natural landscapes and wildlife
Adverse Event Plan Objective 1:	Active planning and management of natural resources (water, ground cover, soils, trees) and the built environment (council and community) exposed to the impacts of adverse event

DP & AEP Action No.	What will we do about it? (Actions)	What will be the result?	How will we measure it?	Who will coordinate it?	Emergency Management Framework
1.2.1.1	Deliver weed control services	Weed infestation within the Shire is managed	Quarterly Reporting of Weed Action Plan	Director Technical Services	Prevention Preparedness
AEP1.1.4	Advocate for resources to be directed by National Parks NSW to management of weeds in Murray Valley National Park	Effectiveness of the Council's and local communities weed control activities will be enhanced	Annual Report	General Manager	Prevention Preparedness
1.2.1.3	Undertake tree assessments and establish a tree register	Hazardous trees will be identified High risk issues address	Number of assessments undertaken	Enterprise Risk Manager	Prevention Preparedness Recovery
AEP1.1.5	Investigate with institutional landholders (State Govt.) the establishment of a tree register	Hazardous trees will be identified High risk issues addressed by the property owner	Number of assessments undertaken	General Manager	Prevention Preparedness



BERRIGAN SHIRE COUNCIL ADVERSE EVENTS PLAN

Drought Communities Programme 2020

Strategic Objective: 1.3	Connect and protect our communities
Delivery Program Objective: 1.3.1	Coordinate flood levee, Council road network and storm water asset management and planning
Adverse Event Plan Objective 1:	Active planning and management of natural resources (water, ground cover, soils, trees) and the built environment (council and community) exposed to the impacts of adverse event

DP & AEP Action No.	What will we do about it? (Actions)	What will be the result?	How will we measure it?	Who will coordinate it?	Emergency Management Framework
1.3.1.1	Review and implement Asset Management Plans which maintain a balance between improving and maintaining network of flood levees, stormwater, Council roads, paths and trails	Service levels met as set out in adopted Asset Management Plans	Asset Plans are reviewed by due date Review of Asset Management Plans is informed by community feedback / expectations re: service levels Service Level Data	Director Technical Services	Prevention Preparedness Response Recovery
1.3.1.3	Ensure sewer network is safe and functional	Sewer networks are managed to maximise operational functions	Number of problems / breaks	Director Technical Services /Environmental Engineers	Prevention Preparedness Response Recovery
1.3.2.1	Implement the Berrigan Shire Council Waste Plan	Sustainable management of Berrigan Shire Council Waste Management facilities and services	Quarterly reporting and monitoring of KPIs in accordance with Berrigan Shire Council Waste Plan	Environmental Engineer	Prevention Preparedness Response Recovery
AEP1.1.6	Council's Business Continuity Plan includes response and recovery actions for restoration of critical Council infrastructure & services				Prevention Preparedness Response Recovery



BERRIGAN SHIRE COUNCIL ADVERSE EVENTS PLAN

Drought Communities Programme 2020

Good government

Strategic Objective: 2.1	Berrigan Shire 2027 objectives and strategic actions facilitate the effective governance by Council of Council operations and reporting
Delivery Program Objective 2.1.1:	Council operations, partnerships and coordination of resources contribute to implementation of Berrigan Shire 2027
Delivery Program Objective 2.1.2:	Meet legislative requirements for Council elections, local government and integrated planning and reporting
Delivery Program Objective: 2.1.3:	Council operations and financial management support ethical, transparent and accountable corporate governance
Adverse Event Plan Objective 2	Identify the roles and responsibilities of Council and community partners for adverse event prevention, preparedness, response and recovery
Adverse Event Plan Objective 3	Lead in conjunction with community partners place-based preparations, adaptation and prevention activities that mitigate negative impact of adverse events on Council infrastructure and place-based services.
Adverse Event Plan Objective 4	Develop and implement Adverse Events Plan aligned with the requirements of the Commonwealth Government's Drought Communities Program

DP & AEP Action No.	What will we do about it? (Actions)	What will be the result?	How will we measure it?	Who will coordinate it?	Emergency Management Framework.
2.1.2.3.2 AEP2.1	Investigate funding options for Sustainability Advantage Action Plan 2019 or similar to improve sustainability; infrastructure and service management; including projects designed to optimise use of solar power	Mitigation of adverse impact of congestion of electricity grid / power failure due to heat, storm damage or other factors	Increase in community facilities with alternate energy supply	General Manager	Preparedness
2.1.2.5	Develop Community Engagement Strategy and commence review of Berrigan Shire 2027	Community involvement in the review of Community Strategic Plan	Participation Rates at CSP review activities Survey Responses	Strategic & Social Planning Coordinator	
AEP2.2	Engage NSW State Government Agency, private and absentee Land Managers in review of Berrigan Shire 2027 with focus on management of environmental hazards and abatement of known hazards	Active management of risks posed by land management practices of absentee land managers	% of land managed or controlled by absentee Land Managers % of absentee land managers engaged in Review of CSP	Strategic & Social Planning Coordinator Development Manager	Prevention Preparedness
2.1.3.5.4	Continue the development of Volunteer Management System	Safer workplace for volunteers	No. of activities undertaken	Enterprise Risk Manager	



BERRIGAN SHIRE COUNCIL ADVERSE EVENTS PLAN

Drought Communities Programme 2020

DP & AEP Action No.	What will we do about it? (Actions)	What will be the result?	How will we measure it?	Who will coordinate it?	Emergency Management Framework.
	addressing workplace health and safety issues.				
AEP2.3	Investigate options for online delivery of Volunteer Training programs in facility-based adverse event prevention and preparedness	Volunteers will be trained and have access to information and support about their obligations and Council requirements – re: Adverse event prevention and preparedness	All Council Committee volunteers (Office Bearers) receive training before assuming or being confirmed by the Council as Committee Volunteer Office Bearers	Director Corporate Services	Prevention Preparedness
2.1.3.8	Maintain and sustainably redevelop existing infrastructure and community assets	Council owned community infrastructure and assets are sustainably maintained and developed	Asset Management Plans implemented Planned Works Completed	Director Corporate Services	
AEP2.4	Include adverse event prevention and preparedness criteria in the project management plan (5-year) prioritising works / investment in Council Reserves, Halls and Pools	Planned program of Council and community investment in Council Reserves, Halls and Pools	Project Management Plan milestones identified and actions reported	Director Corporate Services	Preparedness
AEP2.5	Investigate feasibility of enhancing the sustainability of infrastructure and community assets via community energy projects	Reduction in energy costs associated with the operation of community assets	Feasibility Study Conducted	Strategic and Social Planning Coordinator	Preparedness
2.1.3.10 AEP2.6	Council's Water Trading Policy to include a Council response to exceptional circumstances	Responsive and transparent Water Trading Policy	Policy Reviewed Policy included in Integrated Water Cycle Management Plan	Director Corporate Services Director Technical Services	Preparedness



BERRIGAN SHIRE COUNCIL ADVERSE EVENTS PLAN

Drought Communities Programme 2020

Strategic Objective: 2.2	Strengthen strategic relationships and partnerships with community, business and government
Delivery Program Objective: 2.2.1	Participate in networks that promote regional and cross-border collaboration, planning and service delivery
Adverse Event Plan Objective 2	Identify the roles and responsibilities of Council and community partners for adverse event prevention, preparedness, response and recovery
Adverse Event Plan Objective 3	Lead in conjunction with community partners place-based preparations, adaptation and prevention activities that mitigate negative impact of adverse events on Council infrastructure and place-based services.
Adverse Event Plan Objective 4	Develop and implement Adverse Events Plan that is aligned with the requirements of the Commonwealth Government's Drought Communities Program: • Natural resource management • Communication & coordination

DP & AEP Action No.	What will we do about it? (Actions)	What will be the result?	How will we measure it?	Who will coordinate it?	Emergency Management Framework.
2.2.1.1	Develop resources and establish partnerships that improve local assessment of social and economic implications of regional and inter-governmental decision-making on Shire residents, business and Council operations	Accurate, accessible information about regional and local social and economic conditions	Participation in partnerships Publication of data	Strategic and Social Planning Coordinator	
AEP2.6	Develop resources and establish partnerships that improve local assessment of social and economic implications adverse events on Shire residents, business and Council operations	Accurate, accessible information about regional and local social and economic conditions	Participation in partnerships Publication of data	Strategic and Social Planning Coordinator	Preparedness
AEP2.7	In response to an adverse event the Council will as part of externally funded recovery and acquittal of funding assess social and economic implications of the adverse event on Shire residents, business and council operations	Accurate, accessible information about localised impacts of adverse event on social and economic conditions	Participation in partnerships Publication of data	Strategic and Social Planning Coordinator	Recovery
AEP2.8	Advocate for active management – waste, fuel load hazard reduction in National Parks	Reduction in National Park fuel loads	No. of representations and submissions	General Manager	Prevention Preparedness



BERRIGAN SHIRE COUNCIL ADVERSE EVENTS PLAN

Drought Communities Programme 2020

Supported and engaged communities

Strategic Objective: 3.1	Create, safe friendly and accessible communities
Delivery Program Objective: 3.1.2	Facilitate all age healthy lifestyles and ageing in place
Delivery Program Objective: 3.1.3	Strengthen the inclusiveness and accessibility of our community
Adverse Event Plan Objective 2	Identify the roles and responsibilities of Council and community partners for adverse event prevention, preparedness, response and recovery
Adverse Event Plan Objective 3	Lead in conjunction with community partners place-based preparations, adaptation and prevention activities that mitigate negative impact of adverse events on Council infrastructure and place-based services.
Adverse Event Plan Objective 4	Develop and implement Adverse Events Plan that is aligned with the requirements of the Commonwealth Government's Drought Communities Program: • Community resilience • Community messaging

DP & AEP Action No.	What will we do about it? (Actions)	What will be the result?	How will we measure it?	Who will coordinate it?	Emergency Management Framework.
3.1.2.1	Provide recreation facilities which support active lifestyle and ageing place	Council recreation facilities support active lifestyle and ageing place	Implementation and review Corporate and Community Services Asset Management Plan	Director Corporate Services	
3.1.3.1	Implement the Active Ageing and Disability Inclusion Plan	Council facilities and services support older residents health, mobility and their economic / social participation in community life	Active Ageing and Disability Inclusion Plan actions identified in Strategy are included in Operational Plan	Strategic and Social Planning Coordinator	
AEP3.1	As funds become available develop in each town a public heat refuges	Vulnerable residents have access during heatwave /power outage access to a heat refuge	Public Heat Refuge is developed in each town	Director Corporate Services	Preparedness



BERRIGAN SHIRE COUNCIL ADVERSE EVENTS PLAN

Drought Communities Programme 2020

Strategic Objective: 3.1	Create, safe friendly and accessible communities
Delivery Program Objective: 3.1.4	Coordinate and facilitate the delivery of potable water, public health and safety services
Adverse Event Plan Objective 1:	Active planning and management of natural resources (water, ground cover, soils, trees) and the built environment (council and community) exposed to the impacts of adverse event
Adverse Event Plan Objective 2	Identify the roles and responsibilities of Council and community partners for adverse event prevention, preparedness, response and recovery
Adverse Event Plan Objective 3	Lead in conjunction with community partners place-based preparations, adaptation and prevention activities that mitigate negative impact of adverse events on Council infrastructure and place-based services.
Adverse Event Plan Objective 4	Develop and implement Adverse Events Plan that is aligned with the requirements of the Commonwealth Government's Drought Communities Program

DP & AEP Action No.	What will we do about it? (Actions)	What will be the result?	How will we measure it?	Who will coordinate it?	Emergency Management Framework.
3.1.4.1	Ensure potable water and sewer network is safe and functional	Safe potable water for human consumption and health. Water and Sewer networks are managed to maximise operational functions	Compliance with established Public Health drinking water standards and sewerage treatment effluent quality	Environmental Engineer	
AEP3.2	In response to an adverse event and per the Council's Business Continuity Plan and Integrated Water Management Strategy actions will be taken to: a) minimise disruption to critical services b) restore potable water and sewer functions c) communicate with customers	Safe potable water for human consumption and health	Compliance with established Public Health drinking water standards and sewerage treatment effluent quality	Environmental Engineer	Prevention Preparedness Response Recovery
3.1.4.2	Monitor, control and report upon environmental contaminants and public health hazards - water, fire, refuse, buildings and air	Safer and healthier communities	Assess impacts associated with actions resulting in contamination	Development Manager	



BERRIGAN SHIRE COUNCIL ADVERSE EVENTS PLAN

Drought Communities Programme 2020

DP & AEP Action No.	What will we do about it? (Actions)	What will be the result?	How will we measure it?	Who will coordinate it?	Emergency Management Framework.
AEP3.4	In response to an adverse event and per the Council's Business Continuity Plan will be taken by Council to: a) assess threshold for intervention and community impact b) Identify the response pathway – Council BCCP or EMPLAN c) identify vulnerable communities and supports required d) determine most appropriate communication medium	Safe and healthier communities Disruption to normal services is minimised	Effectiveness of intervention Post incident / event debriefing	LEMO	Prevention Preparedness Response Recovery
3.1.4.3	Coordinate and facilitate local emergency management committee	Committee coordinated and facilitated	LEMPan is maintained	Director Technical Services	Preparedness Response



BERRIGAN SHIRE COUNCIL ADVERSE EVENTS PLAN

Drought Communities Programme 2020

Strategic Objective: 3.2	Support community engagement through life-long learning, culture and recreation
Delivery Program Objective: 3.2.1	Provide opportunities for life-long learning, cultural expression and recreation
Adverse Event Plan Objective 2	Identify the roles and responsibilities of Council and community partners for adverse event prevention, preparedness, response and recovery
Adverse Event Plan Objective 3	Lead in conjunction with community partners place-based preparations, adaptation and prevention activities that mitigate negative impact of adverse events on Council infrastructure and place-based services.
Adverse Event Plan Objective 3	Develop and implement Adverse Events Plan that is aligned with the requirements of the Commonwealth Government's Drought Communities Program: • Community resilience • Communication

DP & AEP Action No.	What will we do about it? (Actions)	What will be the result?	How will we measure it?	Who will coordinate it?	Emergency Management Framework.
3.2.1.1.6	Be an information and digital gateway for shire residents, students and visitors	Information and information technology available for public use	Develop and implement social media strategy	Director Corporate Services	
AEP3.5	Actively promote first responder and other agency community prevention, preparedness and recovery programs and activities via Council social media and networks	Engaged community and increased awareness of issues that impact community wellbeing	Surveys No. of engagement activities held	Strategic and Social Planning Coordinator	Prevention Preparedness Recovery



BERRIGAN SHIRE COUNCIL ADVERSE EVENTS PLAN

Drought Communities Programme 2020

Diverse and resilient business

Strategic Objective 4.1	Strengthen and diversify the local economy through investment in local jobs creation and innovation
Delivery Program Objective 4.1.1	Partner with government and industry to promote strategic investment in the development of economic assets and infrastructure needed to create jobs
Delivery Program Objective 4.1.2	Support local enterprise through local economic and industry development initiatives and projects
Adverse Event Plan Objective 2	Identify the roles and responsibilities of Council and community partners for adverse event prevention, preparedness, response and recovery
Adverse Event Plan Objective 3	Lead in conjunction with community partners place-based preparations, adaptation and prevention activities that mitigate negative impact of adverse events on Council infrastructure and place-based services.
Adverse Event Plan Objective 4	Develop and implement Adverse Events Plan that is aligned with the requirements of the Commonwealth Government's Drought Communities Program: • Economic diversification • Community resilience • Communication and coordination

DP & AEP Action No.	What will we do about it? (Actions)	What will be the result?	How will we measure it?	Who will coordinate it?	Emergency Management Framework.
4.1.1.1	Implement Berrigan Shire Economic Development Plan 2017 – 2021	Economic Development Plan implemented	Quarterly Reporting of actions / activities	Economic and Industry Development Liaison	
AEP4.1	Provide localised Economic Impact modelling on request to inform assessment of the economic impact of an adverse event	Business and government have access to analyses of economic impact of an adverse event	No. of requests received	Economic and Industry Development Liaison	Preparedness Recovery
AEP4.2	Promote collaboration and participation by local business in industry- led adverse event prevention, preparation, response and recovery programs / activities	Council facilitation of industry networks / collaborative projects and shared resourcing	Surveys Infrastructure projects	Economic and Industry Development Liaison	Prevention Preparedness Recovery



BERRIGAN SHIRE COUNCIL ADVERSE EVENTS PLAN

Drought Communities Programme 2020

Strategic Objective: 4.2	Diversify and promote local tourism
Delivery Program Objective: 4.2.1	Implement the Berrigan Shire Tourism Strategy
Delivery Program Objective: 4.2.2	Partner with regional Tourism Boards
Adverse Event Plan Objective 2	Identify the roles and responsibilities of Council and community partners for adverse event prevention, preparedness, response and recovery
Adverse Event Plan Objective 3	Lead in conjunction with community partners place-based preparations, adaptation and prevention activities that mitigate negative impact of adverse events on Council infrastructure and place-based services.
Adverse Event Plan Objective 4	Develop and implement Adverse Events Plan that is aligned with the requirements of the Commonwealth Government's Drought Communities Program: • Economic diversification • Community resilience • Communication and coordination

DP & AEP Action No.	What will we do about it? (Actions)	What will be the result?	How will we measure it?	Who will coordinate it?	Emergency Management Framework.
4.2.1.1	Invest in infrastructure and digital communications that will add value to and increase the competitiveness of the Shire's Visitor Economy	Local operators develop new Visitor Economy product and services	Increase in Visitors Tocomwal Foreshore	Director Technical Services	
AEP 4.3	Facilitate access by local operators to business continuity and adverse response planning services or workshops	Local operators will be informed about resources assistance e: response to an adverse event	Business Survey	Economic Development & Industry Liaison	Preparedness
4.2.2.1	Membership of regional tourism boards established to increase visitation and economic activity in the Murray Region of NSW and Murray River towns	Regional and interstate marketing and promotion of the Shire's tourism products and services	Participation in Regional Tourism Boards	Economic and Industry Development Liaison	
AEP 4.4	Coordinate local and industry feedback MRTB Business Interruption & Continuity Plan	Local and industry knowledge informs review and implementation of MRTB BICP	Survey Focus Group feedback	Economic and Industry Development Liaison	Preparedness

Part 4 – Berrigan Shire Council Communication and Coordination

4.1 Communication and Coordination

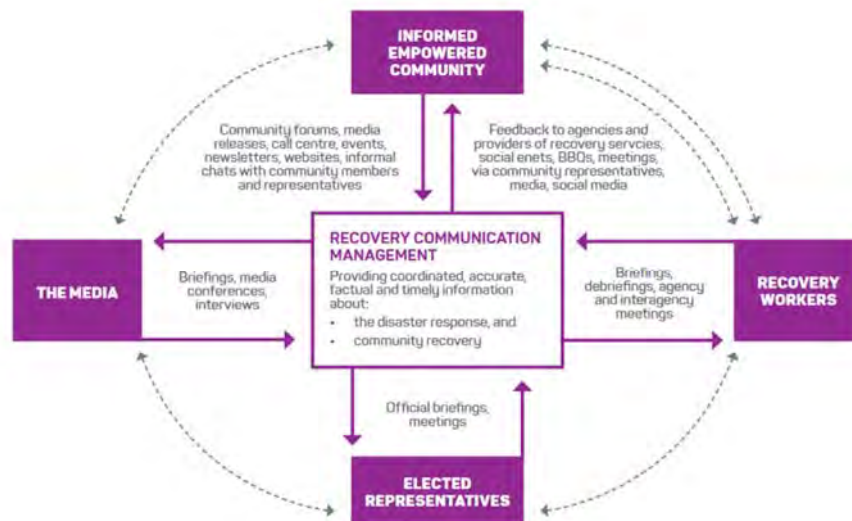
Communication in relation to any adverse events shall be in accordance with Council’s existing Communication Plan. Communication plays a critical role in empowering community lead recovery.

Communications should:

- 📍 begin as early as possible in an emergency or adverse event
- 📍 include an event-specific website and/or other medium that show all available information and is updated regularly
- 📍 specifically address the needs and concerns of local communities
- 📍 be expressed in clear, consistent, plain English
- 📍 be tailored to local communities and delivered to the various groups within communities
- 📍 be provided in easy to understand formats with the aid of visual comparisons
- 📍 include practical information and advice

(Australian Disaster Resilience Handbook 2, Community Recovery, 2018, p. 46)¹³

Council will use a variety of communication media to provide the community with relevant information in relation to adverse events including print, radio and social media. A well informed community is a critical aspect in terms of Council managing expectations of timeframes, costs and impacts along the road to recovery. The diagram below demonstrates the relationship of stakeholders and information flow necessary during the recovery phase.



¹³ (Australian Disaster Resilience Handbook 2, Community Recovery, 2018)

Communication Mediums

The following mediums should be considered in the implementation of any adverse events related communication.



Smart Phone Apps¹⁴



¹⁴ (Resilience NSW, Smart Phone Apps, 2017)

Part 5 – Action and Delivery

5.1 Implementation

The actions identified in this plan inform Council operations and forward planning. Where actions are described as prevention, preparedness these actions are resourced and implemented by the Council as part of its day-to-day operations with responsibility for monitoring and reporting on these actions included in the Council’s Integrated Planning and Reporting Framework

The actions identified in this plan as adverse event response and recovery actions apply to the following Council Services

- Water
- Sewer
- Public Safety Services

These actions are funded by the Council and provision for staff training, rapid response, restoration of services and business continuity is captured by the Council’s Enterprise Risk Framework and Business Continuity Plans with community level services and impacts and thresholds identified by the LGAs EMPLAN, the thresholds for which trigger activation by the State of Disaster Response and Recovery Planning.

Further, in the case of drought for example, it can often be difficult to pinpoint a time or individual incident where a response or recovery phase may commence. Indeed, the longer, slow developing adverse events certainly require a level of long-term commitment and a decisive action to lead the community through recovery. It is also often unclear when a disaster is not declared, who is responsible for managing the recovery.

Part 6 – Summary

Adverse events affect businesses and community wellbeing.¹⁵ In Berrigan Shire Council region, this includes impacts to the productivity and profitability of agricultural industry and secondary employment, tourism, environment, transport, essential services and community psychosocial wellbeing.

Local Government is the level of government with the closest relationship to community, and the strongest knowledge of the impacts and possible needs. The Berrigan Shire Council Adverse Events Plan is intended to demonstrate a framework of hierarchy and coordination of activities that the Council undertakes in relation to adverse event planning and management.

The support of Federal and State Governments is essential to the management of adverse events, as Local Councils do not have the capacity to respond to the full extent required to prepare their communities for, or solely manage the impacts from, adverse events.

¹⁵ (Australian Government Drought Response, Resilience and Preparedness Plan, 2019)

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Acronyms

LEMIC – Local Emergency Management Committee

RAMJO – Riverina and Murray Joint Organisation



Appendix

What types of recovery work might Berrigan Shire Council undertake?

An “all events” Adverse Events Plan is not possible, in that it cannot be known which assets, environs or economies will be impacted at any one time. However, a series of actions relating to predetermined responsibilities and likely community focussed impacts are considered below for future planning reference.

What type of actions we can undertake to support our communities and respond to, adapt to and recover from an adverse event?

Local Information and Communication	Built Environment & Infrastructure Recovery	Social Recovery
<p>Situational awareness together with information must be coordinated into communications accessible and appropriate for the needs of community.</p> <p>This includes mechanisms for sharing timely information from appropriate agencies, and systems of data interpretation (including geospatial information systems) in order for Council to make evidence / data based decisions.</p>	<p>The ability to restore and stabilise community and Council infrastructure, utilities and services including but not limited to:</p> <ul style="list-style-type: none"> + reconstruction or repair of Council assets + maintaining business-as-usual activities in non-affected areas + enabling effective response and recovery efforts + restoring business-as-usual services to affected areas. 	<p>The ability to provide assistance and access to services that allows individuals, families and communities to achieve an effective level of functioning after an emergency event.</p> <p>This includes safety, security, shelter, and re-establishment of Council managed elements of society necessary for well-being.</p>
Natural Environment Recovery	Business Continuity Planning	Community Planning
<p>The ability to return Council managed natural environment, including but not limited to water, air, land, soil, plants and animals, back to an effective and safe level.</p>	<p>A plan and supporting procedures and information that is developed and formulated to ensure that Council is able to resume critical business activities should an event occur.</p>	<p>The ability to collaboratively plan for response and recovery through partnering with the community, and building capacity for local plan implementation and recovery management.</p> <p>It encompasses empowerment of local leaders and stakeholders to improve recovery and resilience outcomes for individuals and the communities.</p>

(Australian Disaster Preparedness Framework, 2018, pp. 11-13)¹

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